

THE WEATHER — PARIS: Monday, sunny periods. Temp. 13-26 (58-79). Tuesday, scattered clouds. LONDON: Monday, sunny periods. Temp. 15-23 (59-73). Tuesday, similar. CHANNEL: Moderate. ROME: Monday, sunny. Temp. 18-31 (64-87). NEW YORK: Moderate, sunny. Temp. 18-27 (65-80).

ADDITIONAL WEATHER — PAGE TWO

## INTERNATIONAL

# Herald Tribune

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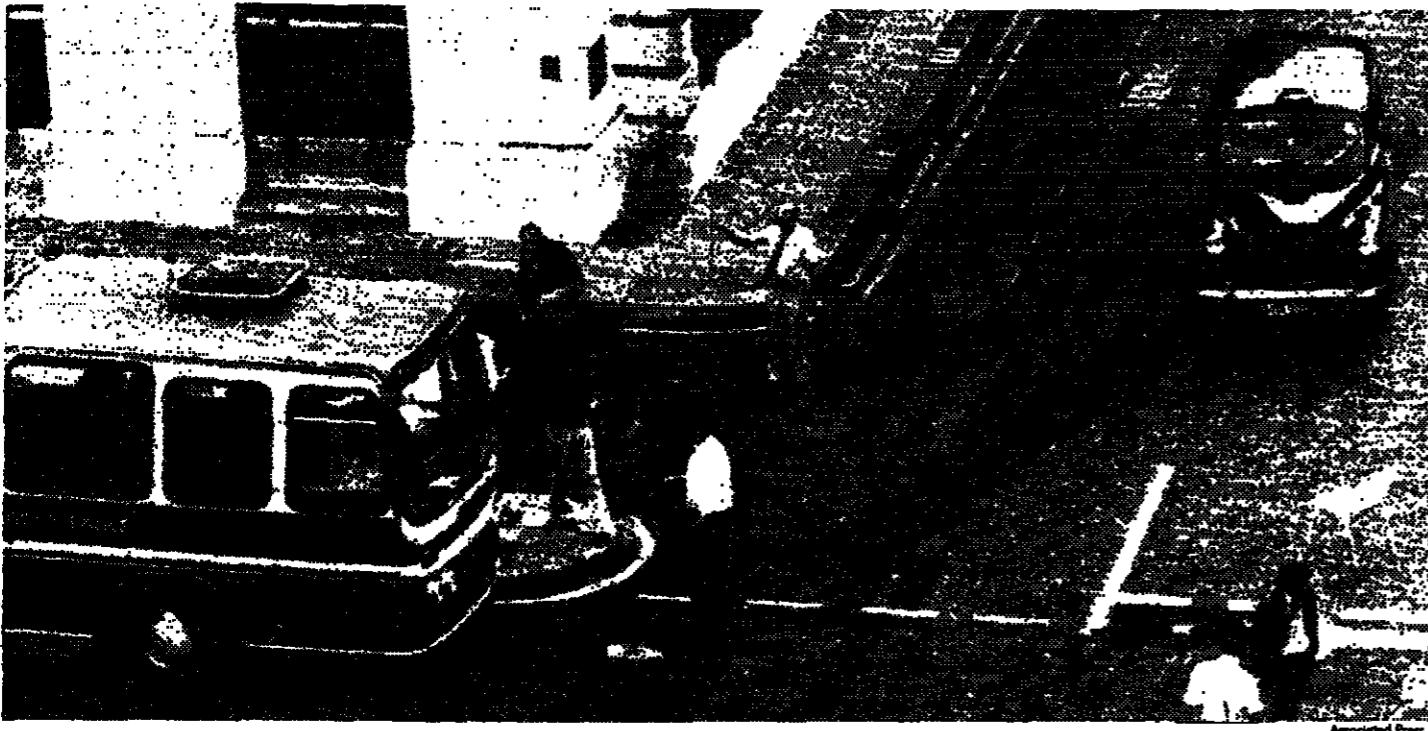
PARIS, MONDAY, AUGUST 21, 1978

Austria	12 S.	Kemra	Sh. 7
Belgium	20 B.F.	Lebanon	1225
Denmark	3.50 D.M.	Luxembourg	1.17
Egypt	1.50 P.	Morocco	2.75 Fr.
Erie	22 P.	Netherlands	1.50 Fr.
Finland	2.50 F.M.	Nigeria	70 K.
France	3.00 F.	Norway	3 N.K.
Germany	1.50 D.M.	Portugal	25 Esc.
Great Britain	20 P.	Pakistan	2.75 Mk.
Greece	1.50 Dr.	Peru	1.70 S.
India	Rs. 8	Switzerland	1.70 S.F.
Iran	60 Rials	Turkey	1.15
Israel	LS14.00	U.S. Military (Fur.)	50.35
Italy	400 Lire	Yugoslavia	70 D.

No. 29,712

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Established 1887



Bus attacked by Arab terrorists in London shows effects of submachine-gun fire and grenade explosions yesterday. Front

tire is flat and front side window of driver's cab was shattered. The bus was to shuttle El Al airline employees to Heathrow.

### Radical Faction Claims Responsibility

## Arabs Attack El Al Bus in London, Kill 1

LONDON, Aug. 20 (AP) — Arab terrorists firing submachine guns and throwing grenades attacked an Israeli El Al airline bus carrying cabin crew outside London's Hippo's Hotel today, killing a stewardess and wounding nine persons, Scotland Yard reported.

One terrorist was killed when a grenade exploded in his face during a shootout with El Al security men, Scotland Yard said. Police theorized that the terrorist was shot before he could throw the grenade.

Three detectives arrested another man running down a street near the hotel. He was handcuffed and dragged away.

Police said they also were hunting three men believed to have been involved in the attack, the spokesman reported.

**Group Claims Attack**

[A radical guerrilla faction, the Popular Front for the Liberation of Palestine-Special Operations Branch, claimed responsibility for

the attack, United Press International reported.

The group, which also claimed responsibility for last year's Lufthansa hijack to Mogadishu, Somalia, said, "Orders were issued to members of the Martyr Zueir Akasha commando unit to strike a group of Israeli pilots working for the Israeli military complex and in El Al in London."

Zueir Akasha, who called himself "Capt. Mahmoud," was the leader of the commandos who hijacked the Lufthansa airliner Oct. 13. He was killed when West German guards rushed the plane Oct. 18.

"This operation is in line with our aim of pursuing the armed struggle, which means hitting at the institutions, forces and elements of the Zionist enemy," the statement said.

[The communiqué said the operation had been code-named "Tal Zatar," after the Palestinian refugee camp overrun at the end of the Lebanese civil war in 1976.]

An Israeli Embassy spokesman said that it was the first attack launched against Israel in London.

Witnesses, many of them out for a Sunday stroll, said they saw several armed men during the two-minute attack.

### No Passengers Hurt

El Al's London office said that four of the wounded were airline employees and that the others apparently were either hotel guests or passengers. The airline said that no airline passengers were involved.

Cmdr. Jim Nevill, head of Scotland Yard's anti-terrorist squad, said that six of the wounded were in critical condition.

He said that at least two terrorists, possibly backed up by three more, attacked about 1:30 p.m. when the bus, carrying about 20 El Al stewards and stewardesses, pulled up outside the luxury hotel where El Al crews usually stay during London changeovers. The hotel is near the U.S. Embassy in Grosvenor Square.

All the airline personnel were from an El Al jumbo jet, flight 16 from New York to Tel Aviv, which changed crews at London's Heathrow Airport.

The terrorists opened up with long bursts of fire at the bus and lobbed at least three grenades. David Faulls, the doorman at an apartment building across the street, said the stewardess who was killed was shot near the bus.

### Cool Defense Suggestions

CAIRO, Aug. 20 (UPI) — Egyptian officials are putting together suggestions for Israeli withdrawal from occupied territories based on the Egyptian peace proposal that Israel had rejected before the Leeds Castle meeting last month. It will meet first with French President Valery Giscard d'E斯塔ing on Sept. 4.

The newspaper said that Mr. Sadat will meet first with French President Valery Giscard d'E斯塔ing on Sept. 4.

(Continued on Page 2, Col. 6)

LONDON, Aug. 20 (AP) — Arabs have been buying everything in sight in Britain and Western Europe in recent years. But now their eyes are on the United States.

"I'm afraid the boom days in Britain are over," said Abdul Ghani al-Dalli, economic adviser to the Arab and International Bank for Investment. "Arab investment will continue in Britain on a smaller scale because changes in the British economy have not been as favorable from our point of view as they were a few years ago."

He explained: "America is now experiencing the kind of conditions that Britain did — depressed prices and a depreciated currency."

Britain made attractive to Arab investors because of the economic problems caused when Arab producers quadrupled the price of oil after the 1973 Middle East war, got a large share of the wealth that flooded into the Arab world. The British Tourist Authority says that at least 400,000 Arabs came to London last year and spent an average of \$2,740 each, displacing Americans as the biggest spenders.

There are an estimated one million Arabs living, working or playing in Europe and at least a dozen Arabic-language papers have been started for them.

Thousands headed for Europe on vacations when Lebanon, the traditional Arabian playground, became a war zone in 1975.

The Arabs regularly descend on British stores, buying up whole racks of clothes and underwear by the gross, and spending unbelievable sums on jewelry, candy, furniture and baths.

British newspapers have reported that some have lost \$1 million a night in betting sprees at London casinos.

Paris and Geneva also have become grounds for the high-rolling of sheikhs and their retinues. Now, Arabs say, the United States and West Germany appear to be heading for a petrodollar boom.

London has been the focal point of the Arab invasion, although it is difficult to measure the true scale of the Arabs' financial stake in British commerce because they generally keep their holdings below 5 percent, the level above which they must publicly declare themselves.

The Kuwait Investment Office, an agency of Kuwait's Finance Ministry, announced last year it has invested £120 million (\$228 million) in blue-chip concerns, mainly prestigious financial institutions.

## Arab Big Spenders Now Looking At U.S.

By Ed Blanche

Prague marks the anniversary in a mood of dour resignation. Page 6

crush "Communism with a human face" started by reform party leader Alexander Dubcek, who has been stripped of his party membership and lives as a forestry worker near his hometown Bratislava.

The Vienna demonstrations centered around St. Stephan's cathedral in the heart of town and included a peaceful march to the Czechoslovakian students were joined by exiled Czechoslovak dissidents and signers of the Charter 77 human rights document who recently came here to avoid persecution in their home country.

Dissident sources said that some 60 Czechoslovak dissident families have settled in Austria in the past few years after the Austrian government had agreed to accept all those who suffer persecution for political reasons in Czechoslovakia.

These include 5.8 percent of the Bank of Scotland, worth £4.4 million (\$8.36 million), 5.8 percent of the Guardian Royal Exchange Association, worth £13.8 million (\$26.2 million) and 6.2 percent of Legal and General Assurance, worth £13 million (\$24.7 million).

But the £120 million figure, financial experts stressed, is probably only a fraction of the Kuwaiti investment and surely only a small fraction of the overall Arab stake in British companies.

The biggest visible impact, however, has been in real estate. At least \$950 million has been put into British companies and the buying of prestige property — castles, royal homes and country estates. Among the Arabs' publicly acknowledged acquisitions:

\* In 1972, Saudi Arabian and Gulf interests bought the famed Dorchester Hotel, home-away-from-home for celebrities for £9 million (then worth \$16.2 million).

\* Sheikh Sabah al-Salem al-Sabah of Kuwait bought St. Martin's Property Corp., one of Britain's biggest landlords, for £107 million (\$192.6 million).

\* Saudi Arabian tycoon Akram Ojeib paid \$15 million for the laid-up liner France once the pride of the French merchant fleet.

"We think that's far too expensive — even for us," said Libyan health attaché Abdussayed Sunusi.

Juma Bial of the United Arab

Emirates Embassy said that an Arab was charged £10,000 (\$19,700) for medical treatment for work last year, far in excess of normal fees. "We're now directing our people to Germany, Switzerland and Yugoslavia," an Arab diplomat reported. The Germans especially are picking up a lot of business that used to come to London.

Kuwaiti Complains

Anyone with anything to sell automatically doubles his price when he sees an Arab coming, complained a disgruntled Kuwaiti who has lived here for years.

On the other hand, the Arabs' ostentatious display of wealth has also caused British resentment.

"The Englishman's home has become the Arab's castle," lamented Nicholas Ridley, a Conservative Party legislator, commenting on the Arab-induced rise in real-estate prices.

Residents of London's fashionable Mayfair and Knightsbridge districts complain that Arab clans who have moved in have lowered the tone of the areas.

Sunday Observer columnist Michael Davie commented: "The idea was supposed to be that we went to the Middle East and disrupted their ancient traditions and culture; not the other way round."

NEW DELHI, Aug. 20 (AP) — Monsoon flooding invaded numerous low-lying communities in four Indian states and a cholera epidemic broke out in a flood-stricken district in the eastern states of India this weekend, the United News of India reported today.

Meanwhile, in Karachi, Pakistan, rescue workers found 18 more bodies today, raising the flood toll there to 47.

UNI said 25 persons died from cholera in India's Kathiawar district, about 335 kilometers north of Calcutta. Authorities have placed the district under quarantine, it added.

Official sources in Patna, the capital of Bihar, said more than 8 million persons have been affected by the floods. At least 75 persons have drowned in the state since monsoon rains began in June.

The unofficial death toll for the entire nation is believed to have topped 500 this weekend, with 37 drownings reported in Himachal Pradesh and 15 in Uttar Pradesh.

### Islamic Extremists Blamed

## 377 Die as Iran Arsonists Set Fire to Movie Theater

From Wire Despatch

TEHRAN, Aug. 20 — The Iranian government today blamed Islamic extremists for setting fire last night to a movie theater in Abadan, in the Iranian oil fields, killing 377 persons.

A government spokesman said it was the sixth movie theater to be set afire since Aug. 8, the beginning of Ramadan, a period of fasting when Islamic groups urge people not to attend films or eat in restaurants.

Reports said that at least 387 persons, mostly youths, were in the Rex Cinema watching a local production called "The Deer." They said that the arsonists poured gasoline around the building and ignited it.

The government accused Islamic Marxists of setting the fire but did not say how many persons were thought to have been involved.

The communiqué said that four survivors suffered first-degree burns and six were slightly injured.

"The air was torn apart by shrieks of people wanting to escape the fire," witnesses reported. "It seemed there was little that could be done to save them."

### Government Discussions

The government was reported to be discussing several measures to counter the terrorism in the country.

Meanwhile, the opposition came under sharp government attack when Parliament met today to discuss an official request for approval of the martial law imposed on the central Iranian city of Isfahan nine

days ago following an outbreak of violence that left five dead and scores of rioters and police injured.

Government members accused the opposition of taking advantage of the democratic liberalization offered by Shah Mohammed Reza Pahlavi and his promise of press freedom.

The opposition responded with a censure motion against the govern-

ment, accusing Premier Jamshid Amouzegar of illegal action which opposition members said had led to the present state of disorder in the country.

Witnesses said that the doors of the movie theater apparently were locked by the arsonists and that the heat of the fire melted the steel door frames, sealing the doors shut.

One witness, quoting a survivor's

family, said that the victim suddenly saw "the four walls of fire rise all around them and then the flames spread quickly."

The speed of the operation by the arsonists indicated that it was the work of professionals, the witness said.

There were unconfirmed reports of the arrests of several people, including some cinema employees. The Ettehat newspaper quoted police as saying that the doorman of the cinema was arrested in a drunken state after the fire.

Radio Iran today stopped its music programs and reported national mourning. "Even an enemy of 1,000 years would not have done what the arsonists did to these innocent 377," it said.

In Shiraz, halfway between Abadan and Tehran, arsonists struck again today, setting fire to a cinema and a restaurant. The cinema, in the central area of the city, was destroyed. A theater in Tabriz also was reported burned last night. No one was reported killed in the two attacks.

More than 100 persons have been killed in police and clashes with protesters during the last seven months in Iran. The government says that the disturbances were started by conservative Moslems protesting reforms by the shah.

The conservatives contend that the reforms, which include the redistribution of church lands and greater freedom for women, violate Islamic law. The Moslems have demanded that the government abandon the reforms and close liquor stores and movie houses.

A government spokesman said that the shah condemned the action and sent his condolences to the relatives of the victims.

The spokesman said that more than 2,000 relatives of the victims demonstrated in front of the Abadan police headquarters today, demanding punishment for those responsible.

The shah assured the relatives that those responsible would be punished, according to a government source. Bagher Nemazi, governor of Khuzestan province, flew to Abadan to oversee the investigation.

The Iranian movie syndicate announced that it would close all its theaters in Iran unless adequate protection is guaranteed.

Several days earlier in Tehran and Mashad, in the northeast of the country, Islamic groups were blamed for burning three movie houses, a restaurant and the capital's biggest nightclub, the Bacara.

(Continued on Page 2, Col. 1)

### After Reconciliation

## Angola Chief Visits Zaire To Bolster New Relations

KINSHASA, Aug. 20 (UPI) — Presidents Agostinho Neto of Angola and Mobutu Sese Seko of Zaire embraced yesterday to seal the new friendship between their two nations.

"It is with joy and gladness that the militants of the Popular Revolutionary Movement [Mr. Mobutu's party] of Kinshasa welcome you to Zaire, the land of our ancestors," Mr. Mobutu said.

"Angola ahoy, Zaire ahoy," said a young girl who handed flowers to Mr. Neto on his arrival at Kinshasa airport yesterday for a three-day stay. He was accompanied by a 97-man delegation.

"My visit has started very well and will be concluded fruitfully," Mr. Neto said before he left the airport. "This visit by an Angolan delegation, led by myself, to Zaire means that the biggest problems have been settled. We

**Lunda Tribe Views Him as Enemy****Mobutu Seen in No Hurry To Woo People of Shaba**

By David Lamb

**LUBUMBASHI**, Zaire, Aug. 20 — Three months after an invasion by Angolan-based rebels, Shaba province remains under martial law and a cloud of uncertainty, with its people convinced that the real enemy is the regime of President Mobutu Sese Seko.

The challenge for Gen. Mobutu now is to diminish this tribally rooted animosity by putting national reconciliation ahead of self-interest.

**Zaire Visit For Neto**

(Continued from Page 1)

Mobutu has accused Angola of helping the Angolan-based Zairian rebels who invaded Shaba province twice in the past 18 months. Mr. Neto has replied that Zaire was still supporting Angolan guerrillas opposed to his government.

The reconciliation between the Marxist Angolan leader and Western-leaning Zairian president is of great importance to Mr. Mobutu. Western nations had urged him to liberalize his government, curb corruption and seek reconciliation with Angola and with political opponents in exchange for a long-term economic and financial assistance plan that Mr. Mobutu has requested.

**Amnesty Announced**

Mr. Mobutu has already announced an amnesty for political opponents living abroad and freed several political prisoners. In Brazzaville, the two countries agreed July 22 to normalize their relations to let refugees from either country return home and to re-open the Benguela railway for Zaire exports.

Angola made a gesture in the reconciliation process last week by announcing that Zaire rebels living in Angolan camps will be disarmed and pulled back 150 miles from the Zairean border.

Re-opening of the Benguela railway, which runs from Shaba to the Angolan port of Lobito on the Atlantic coast, is of prime importance for Zairean exports of minerals such as copper, cobalt and manganese.

Before Angolan independence, Zaire moved its mineral exports over the Benguela railway to Lobito in 12 days. The railway was damaged in the Angolan civil war and has since been closed to Zairean exports.

It takes Zaire 45 days to move the minerals along its national route to the Zaire port of Matadi, or a month to export them via South Africa.

Zaire is the world's sixth exporter of copper with about 450,000 tons a year, but Zairian sources have said that barely 300,000 tons have been shipped via the other routes in the past year.

The country is the world's major cobalt exporter with more than 10,000 tons. Part of the cobalt has been flown out, while the manganese production - about 360,000 tons a year - has been stockpiled in Shaba.

**Official Optimism**

Zairian officials have been optimistic about prospects for the Shaba mining operations. The company which markets Zaire's copper said that the mines, which were paralyzed by the occupation of the copper town of Kolwezi by rebels last May, are back at 90 percent of their normal production. This will enable the national Gecamines mining company to honor all contracts, the officials said. After the Shaba events, deliveries had to be cut by 50 percent.

The Angolan decision to remove the rebels from the border may help Zaire bring foreign experts back to Shaba. Zairian authorities have said that, since the mines were reopened after the Shaba events in May, they have been operated mainly by local technicians.

Labor union sources in Belgium said the mining company has sent letters of notice to about 90 percent of the 350 Belgian technicians and 80 percent of about 100 French technicians repatriated to Europe after the rebel occupation of Kolwezi.

Although the mining company could lay off the technicians, the sources said that the unions may fight this since they did not leave by their own will but were forced to do so by exceptional circumstances. Union sources have also said that they have received reports that the mining company is trying to hire new technicians in France.

Most parties agree that Zaire will need the expertise of white technicians to keep the mines operating in the long run, although there might be fewer whites than there were in the past.

**WEATHER**

**Europe**

	C	F		C	F
AMSTERDAM	24 72	clear	MADRID	24 72	clear
ANKARA	24 75	cloudy	MIAMI	24 78	sunny
ATHENS	28 79	clear	MILAN	24 79	clear
BENIN	28 82	clear	MONTRÉAL	21 89	sunny
BERLIN	24 78	overcast	NEW YORK	24 82	clear
BERLIN	23 72	clear	MUNICH	24 82	clear
BRUSSELS	26 79	clear	NICE	25 77	cloudy
BUCHAREST	24 75	overcast	OSLO	19 75	clear
BUDAPEST	22 72	clear	PARIS	27 81	clear
CASABLANCA	29 77	clear	PRAGUE	22 72	cloudy
COPENHAGEN	21 78	clear	ROME	24 77	cloudy
COSTA DEL SOL	30 84	clear	SANTIAGO	24 82	clear
DUBLIN	19 64	overcast	STOCKHOLM	23 73	clear
EDINBURGH	29 68	clear	TEHRAN	23 73	-
FLORENCE	30 66	cloudy	TEL AVIV	25 82	clear
FRANKFURT	24 75	clear	TENESSE	25 82	clear
GDAŃSK	20 68	overcast	TURIN	21 88	clear
Helsinki	26 79	cloudy	VIENNA	25 77	clear
ISTANBUL	24 79	overcast	WARSAW	16 61	overcast
LAS PALMAS	24 79	clear	WASHINGTON	26 82	overcast
LIMA	24 79	clear	ZURICH	23 73	cloudy
LONDON	23 73	cloudy			
LOS ANGELES	18 64	cloudy			

(Yesterday's readings U.S. and Canada at 1700  
Gmt; all others at 1200 GMT.)

**HAPPY BIRTHDAY** — Prime Minister Menachem Begin of Israel smiles as his grandchildren sing him a song for his 65th birthday at his official residence in Jerusalem on Saturday. Mr. Begin was 65 on Wednesday but celebrated on the date of his birthday by the Jewish calendar.

**\$85,000 Grant to Rhodesia Rebels**

By Marjorie Hyer

WASHINGTON, Aug. 20 (WP)

— The World Council of Churches is under heat for its recent \$85,000 grant to guerrilla forces in Rhodesia — a move that critics charge will heighten rather than diminish racial tensions in that country.

Attacks on the council's controversial program to combat racism, which in the last nine years has given nearly \$1.5 million in grants to a variety of self-styled liberation organizations in southern Africa, is hardly new.

This time, however, the sharpest criticism is coming from some of the most steadfast defenders of the council and the program, many of whom are torn between their dismay over the grant and their loyalty to the council and its goal of combating racism.

The program was launched near-

ly a decade ago when the churches decided to give concrete support for their council's resolutions opposing racial discrimination.

From the outset, the grants to groups in southern Africa dedicated to overturning white minority governments drew outraged protests. Although the grants were never more than a few thousand dollars, traditionalists claimed that the churches were promoting bloodshed and revolution.

Defenders replied that the grants carried the stipulation that council funds be used only for humanitarian purposes such as medicine, welfare and education, and not for arms. And they likened the black African groups fighting against the white minority rule to the underground resistance in Europe during World War II against Nazism.

Yet, with the internal settlement in Rhodesia in March, some black

leaders became part of the formerly all-white government of Prime Minister Ian Smith. It was no longer a clear case of black against white.

Feelings in church circles over the Rhodesian situation are heightened by the fact that two of the three black leaders who joined with Mr. Smith in March are not only churchmen but heroes within their respective denominations.

The Rev. Ndabandeni Sithole is a minister of the United Church of Christ who received his theological education at Andover Newton Theological School near Boston. Bishop Abel Muzorewa is head of the Methodist church of Rhodesia, which is a product of missionary efforts in that country and an integral part of the United Methodist Church in the United States. Bishop Muzorewa is a full-fledged member of the U.S. church's Council of Bishops.

Both men have frequently addressed gatherings of their churches in the United States and are highly respected.

The council decision, therefore, to support the guerrilla forces opposing the new biracial government was a bitter blow and, some U.S. church leaders feel, a tactical disaster.

One issue is that the grant was made by a four-person committee of council officers. While such an action is permissible under council rules, critics wondered why a decision in such a sensitive area was made by a handful of officers only six weeks before the meeting of the council's more representative executive committee.

But Mr. Smith made it clear today that the crucial point on which 1976 Geneva peace talks collapsed — who will comprise and control the security forces of Rhodesia under black rule — is still the stumbling block in Salisbury's view.

Mozambique-based guerrilla leader Robert Mugabe reiterated last weekend his stand that the guerrilla forces, joined in the Patriotic Front alliance, must control the security forces during an interim period before black rule.

Referring to Mr. Mugabe's demand, Mr. Smith said: "I think it would be dangerous for us even to attend a conference with people who are going to put forward that kind of demand. . . . I can think of few things that would do more harm to us and our future than to tamper with the security forces."

**Rhodesia Leader Sees No Point In Attending Settlement Talks**

SALISBURY, Rhodesia, Aug. 20 (AP) — Prime Minister Ian Smith gave notice today that the biracial transition administration sees no point in attending new Western-sponsored settlement talks at which guerrilla leaders will demand that Rhodesia's white-led security forces be dismantled.

In a national radio and television broadcast aimed at Rhodesia's whites — outnumbered 26 to 1 by blacks — Mr. Smith renewed his appeal to them to "just a few more months" before deciding whether to quit the country.

Mr. Smith also denied rumors here that he has bought a farm in South Africa and has driven cattle there in preparation to flee.

"I own no land anywhere other than in Rhodesia or any cattle . . . I have no intention of moving out. Everything I have is in this country, and I hope it is going to stay that way," he said.

Expectations of an all-party conference between the Salisbury administration and externally based guerrilla leaders have risen in the last week.

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**Hua Travels to Black Sea As Moscow Blasts Chinese**

(Continued from Page 1)

volets young girls bringing him bouquets of flowers. At one point, he hurried over to a group of journalists and sheathed them away from the apparent danger of a big deck section bearing down on them.

Mr. Hua signed the guest book, copying his message in Chinese from a slip of paper, with remarks praising "the rapid development of the Romanian shipbuilding industry."

Romania hopes to sell China some large merchant vessels and oil tankers as part of the plan to increase trade between the two nations from \$500 million to \$1 billion.

Before leaving, Mr. Hua was presented with a scale model of the yard's latest ship. He and Foreign Minister Huang Hua then grasped the hands of the yard's directors and foremen and held them high for the cheering workers to see.

In the evening, Mr. Hua made a tour of the seaside resort complex that the Romanians have built out-

side Constanta, and then retired to the government guest house on Neptune beach for the night.

The lean, energetic Mr. Hua, who succeeded the late Mao Tse-tung in 1976, returned to Bucharest yesterday to prepare for a Chinese-hosted farewell banquet.

His trip, the first west of Moscovia by a Chinese leader, takes him on tomorrow to Yugoslavia and talks with Marshal Tito.

Two UN soldiers killed

JERUSALEM, Aug. 20 (UPI) —

Two Austrian United Nations soldiers were killed and 13 injured in a road accident near Safed in northern Israel today, a UN spokesman said.

A London taxi driver who had drawn up outside the hotel looking for a fare was wounded in the crossfire and his cab was shot up.

**Buildings Peppered**

Windows of the bus cab were shattered by gunfire and shrapnel. Buildings across the street were peppered with bullet holes.

Scotland Yard declined comment on the identity of the terrorists, but witnesses said there was shouting about the Palestine Liberation Organization.

The PLO is the umbrella body controlling various Palestinian extremist factions waging a guerrilla war against Israel in their homeland.

Meanwhile, Joseph Cardinal

Marie Trin-Nhu-Khieu, the archbishop of Hanoi, arrived in Rome to participate in the secret conclave of 111 cardinals that will begin Friday.

In the last few days preceding the conclave, the cardinals were reported avoiding politicking for favorites at their daily meetings.

Instead, John Cardinal Krol of Philadelphia said they are exchanging ideas and information about background experience and capabilities of colleagues, delicately steering clear of promoting individuals.

El Al has long been a prime Palestinian terrorist target. The last major attack on the airline was at Paris' Orly Airport May 20, when El Al guards and French police officers fought a gun battle with terrorists who attacked passengers waiting to board an El Al flight.

Two police officers and three terrorists were killed in that shootout.

"As for any naming of those who

**Businessmen Cite Peking's Interest****China May Turn to Japan for Modernization Aid**

URUMCHI in the Sinkiang region, the frontier cities of Paotow and Hubehot in Inner Mongolia, to Shantayuan in Hopeh Province and to Yunkan, to see the Buddhist statues carved into the granite mountains.

**Policy Changes**

"The whole policy on tourism has changed," a Japan Travel Bureau official said. Before, it was all political, but now they want to earn foreign exchange."

Until 1972, when China and Japan established diplomatic relations, there were no direct scheduled flights between Tokyo and Peking. Now Japan Air Lines has three flights to China a week.

The number of flights will increase to four a week in the autumn, and by next spring Japan Air Lines hopes to make daily flights and to put Boeing 747 jumbo passenger jets on the route.

The number of Japanese visiting China is also rising — from 18,825 in 1976 to 21,000 last year to an estimated 45,000 or 50,000 this year. About two-thirds of this year's total will be tourists, the rest businessmen on trade missions.

Experts at trading companies here expect trade with China to expand from last year's two-way total of \$3.5 billion to \$10 billion or even \$15 billion by 1980.

Visitors will now be able to go to

**Says Word Broken on Aid in South****Lebanon Leader Critical of U.S.**

BEIRUT, Aug. 20 (AP) — Premier Salim al-Hoss blames the Carter administration for Lebanon's inability to establish authority in tension-ridden regions of the south, the Beirut weekly "Monday Morning" reported today.</p

JULY 21 1978

INTERNATIONAL HERALD TRIBUNE, MONDAY, AUGUST 21, 1978

**Security Cited in Executive's Trial**

By Charles R. Babcock

WASHINGTON, Aug. 20 (UPI) — The Justice Department is dropping three of six felony charges against a top executive of International Telephone and Telegraph Corp. because of fears that national secrets would be exposed at the trial.

A Justice Department prosecutor on Friday told U.S. District Court Judge Aubrey Robinson Jr. — without explanation — that the government would not proceed on three counts of the indictment that accuses Edward Gentry Jr., a senior vice president of ITT, of lying about his firm's involvement in influencing the 1970 presidential election in Chile.

**3 Charges to Remain**

A Justice Department spokesman said later that the three charges were being dropped "following a determination that information essential to the prosecution of those counts could not be used as evidence and made public because the protection of the information is vital to safeguard national security and U.S. foreign intelligence interests."

Three substantive charges against Mr. Gentry will remain, but Justice Department officials refused to say Friday whether they were thinking of dropping the entire case. "Cases like this are under

constant review," spokesman Terence Adamson said.

A similar concern about the possible disclosure of top-secret information was cited last fall when the Justice Department chose to let former CIA Director Richard Helms plead "no contest" to a misdeemeanor charge growing out of the same investigation of ITT-CIA involvement in Chile.

When Mr. Gentry and another ITT official, Robert Berrellez, were indicted in March, Justice Department officials expressed confidence that they had fashioned a case that would stand up against expected defense claims for intelligence documents.

The first sign of the change came Thursday afternoon when prosecutor Allen Carver Jr. told Mr. Gentry's attorney, Walter Bonner, that the government would not prosecute charges of perjury, inducing another ITT official to lie, and making false statements before a 1974 arbitration board considering ITT insurance claims for confiscated property in Chile.

**Not Yet a Formal Move**

In open court Friday morning, Mr. Carver repeated the promise, although he said that he did not yet have the authority to move formally to dismiss the three counts. He said the case was being reviewed "at a higher level of government."

During an afternoon pretrial

hearing, the government declined to drop similar counts in the companion indictment of Mr. Berrellez. But the same potential problems involving defense access to classified CIA material were touched on by Mr. Berrellez's attorney, Patrick Wall. He complained that the CIA had made heavy deletions on handwritten notes he had taken from documents that already had been censored.

"I cannot abide being prevented from preparing a defense in this case," Mr. Wall said, waving what he said were 22 pages of censored notes. "The government said there was no national security in this case."

Mr. Carver countered that the government had given Mr. Wall all the classified documents he was entitled to. But Judge Robinson said that the defense attorney should return to the CIA and review the documents so that he could prepare a sealed motion justifying his claim to their relevance.

Judge Robinson deferred ruling on the defendants' motions that the different counts in the indictment be dismissed for legal weaknesses.

But he said at the end of the debate over access to CIA material: "The government plays games at its peril."

The ITT cases revolve around testimony by Mr. Gentry and Mr. Berrellez in early 1973 before the

Associated Press  
Edward Gentry Jr.

Senate Foreign Relations subcommittee on multinational corporations. The subcommittee was investigating allegations that ITT had collaborated with the CIA in trying to prevent the 1970 election of socialist Salvador Allende in Chile. He won the election, but was killed in a 1973 coup.

Mr. Gentry and Mr. Berrellez are charged with lying when they said that ITT did not offer to give financial aid to Mr. Allende's opponents.

**Bitterness Toward Mayor Lingers****Memphis Police, Firemen Working; Curfew Lifted**

Associated Press

**DOUBLE BILL** — Ken Kuikman and his dog, Thunder, double up for some water skiing in Tarpon Springs, Fla. Mr. Kuikman said the dog jumped from boat one day and tried to climb onto skis so he decided to teach him how.

**Murdoch Financing N.Y. Strike Paper**

NEW YORK, Aug. 20 (IHT) — Rupert Murdoch, the publisher of the New York Post, one of three New York dailies forced to halt publication by the 11-day-old pressmen's walkout, appears to be

**Soldier's Fire Hits****U.S. Ulster Mission**

BELFAST, Aug. 20 (UPI) — A British soldier fired four shots through the front entrance of the U.S. Consulate building in central Belfast yesterday. He was detained by police for questioning.

No one was in the building at the time, but shoppers passing outside dived for cover when a dozen shots rang out. The soldier was on guard duty in a concrete observation post in a police station directly across the street from the consulate.

He refused to say whether he spoke with Mr. Murdoch.

Mr. Iseman said that since securing the Post's backing, he has "checks from three different distributors and the Post home-delivery network."

Since the Post commitment, seven Post advertising salesmen have joined the newspaper, along with Robert Costello, the Post's advertising director and assistant treasurer, according to a Metro staff member who asked not to be identified. He said that Mr. Murdoch personally has called executives at major department stores seeking advertising for the Metro.

Told of Mr. Murdoch's alleged involvement in Metro, Times spokesman Leonard Harris said: "I just don't believe it." An official of the Daily News shrugged off the report.

**News Analysis****Carter Misread Dollar's Link to Inflation, Trade Gap**

By Clyde Farnsworth

WASHINGTON, Aug. 20 (NYT) — The gravest dollar crisis since former President Richard Nixon slapped wage and price controls and an import surcharge on an unsuspecting nation seven years ago has the Carter administration with its back to the wall.

President Carter has twice in recent days expressed deep concern about the dizzying fall of the dollar in the international currency markets and has promised steps to restore fractured monetary confidence.

Some sense of the urgency attached to improving the dollar's position was revealed by the extreme White House pressure applied to save a compromise that would lift U.S. price controls from newly produced natural gas by 1985, and by an unusually sharp boost in the discount rate announced Friday by the Federal Reserve Board.

Treasury Secretary Michael Blumenthal said there will be a series of continuing dollar-defense actions as decisions are reached in the next few weeks.

How did the administration get itself into the monetary morass? Why does the international value of the dollar matter anyway? What more can Mr. Carter do?

Despite the warnings being sounded late last year, the administration underestimated the virulence of inflation and the potential dangers of the trade deficit, the two

underlying forces behind the dollar's weakness.

The precipitous declines of the dollar against such currencies as the Japanese yen (30 percent in 12 months), the West German mark (15 percent) and the Swiss franc (33 percent) largely represent the widening differential in inflation rates between the United States and these trading partners.

The cheaper dollar matters because it is the most widely held store of value in the world and because its cheaper value not only destabilizes international trade and financial transactions but also acts as an engine of inflation in the United States.

A declining dollar increases the cost of U.S. imports and has other price effects that overall add 1 to 2 percentage points to the domestic inflation rate, economists calculate.

Because of the great volume of dollars swishing about in the world's financial markets (about a half trillion dollars worth), the United States cannot intervene on an extensive scale to defend the dollar. Its reserves of foreign currencies are meager. Even if all the gold at Fort Knox were mobilized, the dollar could be swamped by waves of overseas selling.

This is why the Treasury has maintained a position that the United States will intervene only to dissuade about a further tightening of money rates aired publicly by Federal Reserve Board Chairman William Miller last month.

But there are things the Treasury can do to make intervention policies more credible. It can enlarge foreign currency reserves by bor-

rowing West German marks or other foreign currencies. And it can borrow from the International Monetary Fund.

Another option, considered much less likely at this time, is to reconstitute capital export controls, as was done in the mid-1960s.

What Mr. Carter can do is show that he is deadly serious about

curbing inflation. In the view of currency market traders, this means he has to demonstrate, far more than in the past, a policy of toughness on government spending.

Additionally, he could establish more rigorous standards for wage and price behavior. Mr. Blumenthal already has suggested that this may happen.

The committee also produced an affidavit that further undermined the statement Mr. Cowden gave to the National Enquirer that Ray was in the Texaco service station.

In fact, Ray himself has never specifically said which service station he was in at the time of the shooting and has given various versions of where it was located.

Mr. Cowden testified that in December, 1974, Mr. Hays concocted the story of an alibi witness for Ray in hopes of "making a million dollars."

Mr. Cowden said that he had been supported for several months by Mr. Hays and felt deeply in his debt and added that Mr. Hays had promised him that if the story or movie rights of his allegation made money, "I will always take care of you."

Mr. Hays, who once worked as a private detective in the early investigation for Ray's defense, is in a Veterans Administration hospital in Memphis and was not available for comment.

The committee also produced an affidavit that further undermined the statement Mr. Cowden gave to the National Enquirer that Ray was in the Texaco service station.

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The sources said that the former president's travels probably would begin next month but would not, for the time being, include the Middle East, where moves are under way to revive Israeli-Egyptian peace talks.

The sources said that Mr. Nixon, who resigned in the face of almost certain impeachment four years ago this month, has received a number of invitations from foreign nations and has decided to start accepting them as part of his gradual emergence from seclusion.

His aides, they said, have alerted the State Department and the White House of the plans that are developing.

It seemed doubtful that Mrs. Nixon would be able to accompany him on any trips. She suffered a stroke two years ago and still shows slight signs of paralysis.

The sources said that the precise itinerary is still incomplete.

**U.S. Balloonists Pay for Victory With a Dinner for British Rivals**

LONDON, Aug. 20 (UPI) — The three U.S. balloonists who crossed the Atlantic arrived in London yesterday to talk about their plans to try to fly around the world and to pay the price of their victory — dinner for two British balloonists who did not quite make it.

Ben Abruzzo, Maxie Anderson and Larry Newman had a wager with Britons Donald Cameron and Maj. Christopher Davy that whoever crossed the Atlantic first would buy a consolation dinner for the losers.

Last month Mr. Cameron and Maj. Davy set off from Newfoundland in their Zanussi balloon but had to ditch 110 miles off the French coast.

Last night the two balloonist teams swapped tales of their 3,000-mile odysseys during dinner at the Savoy Hotel.

Before the meal, Mr. Cameron made a toast to the three Americans from Albuquerque, N.M., "for the most magnificent flight which has yet been made by balloon." Then, like all enthusiasts, they got down to talking shop.

"There is no replacement for the experience of your first flight," said Mr. Abruzzo, who made a previous transatlantic attempt with Mr. Anderson.

"They did rather better than we did . . . but perhaps we showed you the way. What happens in this system is that the British invent things and show the way and the Americans actually make it work," Maj. Davy said.

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**Hoped to Profit From Story****Supporter of Ray Alibi Says It Was Phony**

By Nicholas M. Horrock

WASHINGTON, Aug. 20 (NYT)

— The House Select Committee on Assassinations has ended its initial interrogation of James Earl Ray by severing one fragile thread of corroboration for his claim that he did not kill Dr. Martin Luther King Jr. in Memphis 10 years ago.

Last Wednesday Ray testified before the committee in a hope that his testimony and committee findings might lead public, if not legal, support for his plea for a new trial.

But it was clear when the committee recessed after Ray's appearance Friday, until its November hearings, that neither his 38-page alibi nor a vigorous attack against the committee by his lawyer, Mark Lane, would seriously erode the weight of evidence that Ray once admitted was sufficient to make him plead guilty to Dr. King's murder.

Although Ray was not personally identified with Mr. Cowden's story, Ray's general contention of innocence suffered sharply Friday.

Earlier, the committee presented the affidavit of a former London policeman, Alexander Eust, which said that when he was guarding Ray in June, 1968, the convict indirectly admitted to him that he had killed Dr. King.

Mr. Eust's affidavit said:

"He told me that he had left this place, wherever the shooting had been; he told me that he left and he

was coming out of there when he was a policeman or something like that and he said, 'That is the only time I made a mistake.' He said, 'I panicked then, and I threw the gun away.' So, he said, 'All I know is they've got my fingerprints on that gun but I should make a lot of money out of this.'

Mr. Lane angrily charged that a British lawyer told him that Mr. Eust, who retired from the police after 28 years, had been implicated in corruption and jewel robberies. The committee said it would investigate

Mr. Lane's charges. Mr. Eust was not immediately available for comment, but British news sources said he had retired from his police career under honorable conditions and there are no formal charges against him.

For most observers and many committee members the attention on the question of whether James Earl Ray actually shot Martin Luther King has subsided; it was clear that his contention that he did not shoot Dr. King had suffered badly.



Roy Cowden retracts story that he had seen James Earl Ray at a Memphis service station when Dr. Martin Luther King was shot. He told a House panel Friday he was in Texas that day.

**Despite Complaints of Waste****U.S. Veterans' Health Care Expanding**

By Richard D. Lyons

WASHINGTON, Aug. 20 (NYT)

One of the biggest growth industries in the federal bureaucracy is the medical arm of the Veterans Administration, which, despite criticisms of empire building and wastefulness, is expanding faster than ever, abetted by a benevolent Congress.

During the last fiscal year, 1977, Mark Lane interviewed Mr. Cowden and taped the same story. Mr. Lane included the interview in a book he wrote with comedian Dick Gregory, entitled "Code Name Zorro."

Mr. Lane gave a transcript of his interview to the committee last year and has demanded that the committee and U.S. agencies investigate what he has called "new evidence."

**False Evidence**

The committee late Friday called Mr. Cowden to the stand. The 44-year-old former store manager testified for about two hours, but walked out again to attend a meeting called by David Baker, union president.

Mr. Baker arrived at the city park where the policemen had gathered many were carrying picket signs and chanting: "Go to hell, Chandler."

Mr. Baker said the delay in Mr. Chandler's acceptance of the contract was concerned with the use of the word "amnesty."

In his explanation of the delay, Mr. Chandler said, "There appear to have been a couple of things that were a bit dangly, but there finally appeared to be a total agreement between the two sides."

Mr. Chandler said there would be no retribution against the strikers, who are to be reinstated without a loss in status or benefits.

However, each policeman and firefighter will lose five days' pay and the unions will pay \$15,000 in damages — the firefighters, \$10,000, and the police, \$5,000.

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# INTERNATIONAL Herald Tribune

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## The Farber Case

The case of the New Jersey courts vs. Myron Farber and The New York Times has had some interesting repercussions, not the least of them being a crack in the united front traditionally maintained by the nation's press on the question of confidential sources. In a recent column in the Wall Street Journal, Vernon C. Royster disputed the conventional wisdom of the press, arguing that a reporter does not and should not have an absolute privilege to refuse to reveal confidential sources or notes. Columnists Joseph Kraft and Anthony Lewis have taken similar stands.

Mr. Royster offered a hypothetical case that leads inevitably to the position he advocated. Suppose a reporter has picked up, in confidence, a specific piece of information that would establish the innocence of someone accused of a crime; the defendant knows this and demands, with some precision, that the information be made available; there is a high probability that, with this evidence, the defendant could establish his innocence. What then? Mr. Royster argued that the reporter should be compelled by the courts to violate his confidence in the interest of the defendant's right to a fair trial.

It is almost a foregone conclusion that, as a matter of law, Mr. Royster's view would prevail. On the basis of prior decisions, the Supreme Court would be almost certain to rule that a reporter does not have a legal right to protect confidential sources or notes if it can be demonstrated with sufficient force and particularity that they are — or may be — decisive to the outcome of a criminal case. Indeed, we would find it hard to dispute that result, either as a matter of law or of public policy, in a situation like the one Mr. Royster set out. But the key word is *decisive*, and that leaves much room for argument.

Consider, in the interest of expanding the argument, quite a different hypothetical case. Suppose that a government employee has evidence that a local prosecutor, police chief and mayor are accepting bribes from criminals. Fearful of losing his job or even his life if it becomes known he has such evidence — and not trusting the authorities — the employee tells what he knows to a reporter after extracting a promise that his name will never be revealed. After verifying the information and publishing it, the reporter is called before a grand jury presided over by one of the prosecutor's assistants. When he refuses to reveal his source or his notes, he is taken before a judge who just happens to be an old political crony of the mayor. Must he tell all or go to jail for contempt?

Too fanciful? No more so than Mr. Royster's hypothetical case. Ours leads also to an inevitable conclusion — but one that is precisely opposite his: We would conclude that a reporter should *not* be compelled to reveal sources when the result would be more likely to be retribution than justice — especially when you consider the wider effect on would-be sources if court-enforced betrayals of confidence by reporters become a matter of common practice. What chance would there be — in the atmosphere of corruption we have outlined — that conscientious citizens would dare blow the whistle on public wrongdoing?

Those two examples, at opposite ends of a wide range of possibilities, suggest why the Farber case and similar cases stir deep emotions. Those who believe, as do most judges, that the legal system is the sole repository of justice and virtue, tend to think about reporters' privilege in terms of a denial of the right to a fair trial. Those who are skeptical of the legal system's complete integrity, as are most reporters and newspapers, tend to think of the right to uphold the confidentiality of sources as central to the effective functioning of a free press.

The right answer to the problem of confidential sources and information lies somewhere between those extremes. Reporters and newspapers should not be obstructions to justice. But neither should their investigative efforts be hobbled by an inability to offer confidentiality to their sources with any certainty that their word has enduring value.

Finding the proper balance between the competing interests is difficult, the more so since cases such as Mr. Royster's, or ours, are indeed hypothetical. Real life is rarely that clear cut — as witness the Farber case. Just to begin with, the defense lawyers who are seeking his notes and files have been required to make no showing that they have any reason to believe that something in those notes will help their client. They have not even been required to specify what they are seeking. Their request, in other words, has many of the earmarks of an unacceptable fishing expedition. Moreover, the ruling of the trial judge that he must see all of Mr. Farber's notes before considering the First Amendment claim seems to ignore hints from the Supreme Court that he ought to be specific about what he wants to see. The Times, by resting its case so heavily on the First Amendment, has diverted attention from a strong Fourth Amendment argument against the sweeping nature of the defense request.

Mr. Farber's book contract has also complicated the case in ways that further cloud the basic issue. And all this leaves aside the question of whether the New Jersey courts have given proper weight in this case to the state's "shield law," which is supposed to protect reporters' confidences — not to mention the deeper question of whether such laws do not themselves diminish the pure force of the First Amendment's protections against abridgment of a free press.

The more we hear about the Farber case, in short, the less we like the idea of its becoming a test of anything having to do with fundamental First Amendment questions. It seems to us that the judge, Mr. Farber and The Times have become caught up in a hopelessly complex confrontation whose chief virtue, so far as we can see, is that it has forced journalists — and, we hope, judges — to recognize that these so-called "source" cases will sometimes require difficult judgments among competing values. For us, the rights and virtues of a free press are paramount and we would argue for the strictest reading of the First Amendment in their behalf. But we cannot altogether exclude the possibility that, in a particular set of circumstances, other rights, equally enshrined in the Constitution, might prevail.

THE WASHINGTON POST.

## Looking Back at Elvis

Which will seem more absurd to those who study our time, the nationwide flap in the 1950s that kept Elvis Presley's gyrating hips from being televised or the hysteria with which his fans last week commemorated the first anniversary of his death? Neither the 90-degree heat nor the police strike that has otherwise paralyzed Memphis could diminish the fervor of about 10,000 disciples who streamed down Elvis Presley Boulevard, formerly U.S. 51, to worship at the gates of the 13-acre Presley estate.

There were mothers, no longer so young, dragging children togged out in Presley capes. There were wailing fans who half expected their departed hero to speak to them from above. There was the fast-food waitress who traveled hours by bus to win a last glimpse of — what?

Social historians will have to deal with

Elvis, the young truck driver from the poorest South who cut a record for his mom and was catapulted to fame and fortune. He had a Cadillac painted in pink, his mom's favorite color, not to mention two Stutz Black-hawks, a Ferrari, a jeep, six golf carts, two airplanes, a variety of motorcycles, tractors and mobile homes and a pickup truck — all manner of mechanical motion, deriving from the animal motion and pulse of his music.

A year after his death, in a steadily more permissive society, the Elvis legend has, if anything, grown, and that will tell the historians something. A drunken security guard in a power plant can black out all Memphis, but for \$2 you could buy and carry a special Elvis candle. TCB, as it says on his tombstone, Taking Care of Business.

THE NEW YORK TIMES.

## International Opinion

### Albania's Future

Behind the Albanian accusation against China and the pompous defenses of its own policies lies the hard fact that the country will find it difficult to exist economically without Chinese aid; in spite of the fact that this aid seems to have involved considerable problems over the years. When the Albanian party states that Tirana "has never been iso-

lated and can never be so," this is merely reference to its alleged ties with various groups of frustrated revolutionaries around the world. If the Albanians reject a common front with China, Romania and Yugoslavia against the Soviet Union for reasons of independence, then Moscow's interest in Tirana might well increase.

— From the Neue Zuercher Zeitung (Zurich).

## In the International Edition

### Seventy-Five Years Ago

August 21, 1903

NEWPORT, R.I. — The first of the series of this year's America's Cup races ended in disappointment when failing winds becalmed the U.S. titleholder Reliance and her British challenger, Sir Thomas Lipton's Shamrock. The Reliance had a two-mile lead at the time the race was called off, but her owners stated later that such a lead was inconclusive under the conditions. The calling-off of the first heat did nothing to dampen the holiday atmosphere prevailing at this Rhode Island resort.

### Fifty Years Ago

August 21, 1928

ATHENS — The parliamentary elections in Greece have resulted in a crushing victory for the Republican supporters of Mr. Venizelos, who is now in a position to rule the country as a virtual political dictator. Mr. Venizelos's main Royalist rivals, including General Metaxas, former communications minister and chief of the moderate Royalists, were not returned to the Athens parliament, and even Royalist strongholds such as Corfu and Patras elected Venizelists instead of supporters of King George.



## Carter Looks Around

By William F. Buckley

NEW YORK — "The only promise Carter has kept," a Republican contender for the presidency was heard recently to mutter.

"is to give amnesty to traitors." The formulation is hyperbolic, but so is campaign oratory. It really is a rather staggering list, and it is becoming a form of impoliteness to remind the president of what he said he would do for us if he became president, so let us give him a day off and concentrate instead on the mutinous thoughts being thought by so many disloyal Democrats.

There is the problem of what goes now by the name of "conservative revival." The code name for it is Proposition 14. There are very few instances in recent American political history in which the voters have expressed themselves so emphatically, so unambiguously. The turn-around in California by Gov. Brown is the most amusing example. Eugene McCarthy were to stand up and claim credit for the Vietnam war, or Sen. Jacob Javits accuse the White House of being squishy-soft on Israel.

A prominent liberal Democrat in Illinois was recently invited to contend for the seat now held by Sen. Charles Percy. He surveyed the political situation and concluded that the only way he could hope to defeat Percy in Illinois would be by campaigning against him from the right. He'd have found this a most awkward thing to do, given his tradition and his personal convictions, so he bowed out.

The notion that President Carter will move to the right is gaining popularity but not credibility. The general is of course correct. Major politicians tend to follow the trends. But to the right of Carter is the Republican Party. Does it follow that Carter could preempt what is essentially a Republican position? The answer is: No. Because if he did, the left would almost certainly put forward a third-party candidate whose effect would ruin Carter's chances in a general election.

Who might the third-party candidate be? Here one gets into difficulties. Gov. Brown and Sen. Edward Kennedy are the obvious choices. But there is also the obvious problem that if they accepted a third-party designation, thus guaranteeing the defeat of the Democratic incumbent, the loyalists would almost certainly punish them by denying them the nomination in 1984. That would be a disaster for the party, us to hold an election in 1984. But Democrats who do not dream of occupying the White House would be available. For instance...

Sen. Eugene McCarthy is slightly tarnished, to be sure. The nice thing about him — which is that he really prefers whimsy to politics — is his principal disability. He is a little idiosyncratic, and

an apostle of the balanced budget, a reduced bureaucracy, a stable dollar and full employment. In 1980 the dollar will probably be worth 30 percent less than it was when Carter was elected, and unemployment may well be higher. It would not appear that he has much of a chance. As a politician, the president would have to be re-elected.

What possibility remains? The iniquity of the Republican Party, which may prove to be Carter's secret weapon. Carter won narrowly in 1976 as

an apostle of the balanced budget, a reduced bureaucracy, a stable dollar and full employment. In 1980 the dollar will probably be worth 30 percent less than it was when Carter was elected, and unemployment may well be higher. It would not appear that he has much of a chance. As a politician, the president would have to be re-elected.

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he was.

Most important, respect for the United States as a world power and reliable ally diminishes abroad when the almighty dollar is revealed to be helpless and contemptible. The value of the dollar is a daily vote by Europeans and Asians on the stability of the U.S. economy and the competence of its management. For months, we have been witnessing a massive vote of no confidence.

What did Mr. Carter do to corrupt the integrity of our currency?

Worried most about the level of unemployment, the president

would come to mean.

That requires the kind of political courage that Mr. Carter has not yet shown, and the kind of economic realism that the Blumenthal-Miller clique does not possess.

When Jimmy Carter took office, he took a Harry Truman slogan and placed it proudly on his desk in the Oval Office. Little did we realize what "The Buck Ends Here" would come to mean.

JULY 1978

Returnees, Economic Exiles

## Change in Lisbon Regime Caused 2-Way Migration

By Paul Lewis

LISBON (NYT) — Portugal's jump from dictatorship to democracy has meant an unexpected homecoming for many Portuguese. But for others it means an unwelcome diaspora.

Almost a million near-destitute Portuguese refugees have streamed back into this impoverished country from Angola, Mozambique and Guinea-Bissau since leftist military officers overthrew the Salazar-Caetano dictatorship in 1974 and freed Portugal's African colonies.

But as the colonial refugees poured into Portugal, straining the country's resources and worsening unemployment, many of Portugal's richest and most talented citizens, who had been the mainstay of its economy, fled into exile.

Some feared reprisals because of their association with the fallen fascist regime. But a most decided that they had a better future in such places as Brazil, France and Switzerland, particularly because Portugal's new leftist rulers were expropriating the companies that the wealthy and talented owned or worked for, and the economy appeared to be crumbling.

## Business Families Left

Famous Portuguese business families who left include the Melos, who owned the country's biggest industrial complex; the Campanhais Union Fábril, now nationalized; the Espírito Santos, whose bank, also nationalized, still bears their name; and the Champalimands, who dominated insurance and cement manufacture.

Between 10,000 and 20,000 civil servants, executives and technicians also left the country, further depleting its already slim reserves of managerial talent and skilled labor.

Portugal's new democratic rulers have dealt much better than most observers expected with the stresses created by the influx of refugees from Africa, which in a few months raised the country's population 8 percent. By comparison, the French settlers who came back from Algeria in the 1960s amounted to barely 1 percent of France's population.

Officially, the *retornados*, as the African refugees are called, no longer constitute a problem. Only 15,000 are still considered out of work, and the government plans to close at the end of the year its crash \$300 million program to find them jobs and houses.

## Soares Takes Pride

The former premier, Mario Soares, speaks of a miracle of integration, and he considers his handling of the refugee problem his greatest achievement.

In fact, the *retornados* often proved their own best friends. What they lacked in capital or connections when they came back to Portugal they usually made up for in enterprise and hard work, frequently to the discomfort of the indigenous Portuguese.

Rodrigues Mariana Lopes is a case in point. Now 53 years old, Mr. Lopes, who comes from the Cape Verde Islands, went from Lisbon to Angola in 1948 without a penny to his name. His first farming business was destroyed in Portugal's long war against nationalist guerrillas there. Last year he returned to Lisbon almost penniless again, after seeing his successful public-relations firm in Luanda strangled by the Marxist regime of Agostinho Neto.

Now he owns another flourishing public-relations firm here and is working on plans for a \$1 million hotel complex with other refugee partners. "Work hard and never think of failure" is his philosophy.

## We Help Each Other

Mr. Lopes admits that his approach to business is cliché, and that his success excites the jealousy of the Portuguese. All his friends and business partners are *retornados*, as are his employees. "We help each other because we went through the same experiences," he says.

Many Portuguese employers pre-

fer *retornados* because they work hard. But Mr. Lopes is convinced that Portuguese banks, companies and even government officials are biased against them. Because of their success, "somehow it's always our paper that get lost," he says, complaining also about frequent visits he receives from the tax inspector.

Local Portuguese also blame the *retornados* for the recent rise in street crime, drugs and prostitution in what used to be one of Europe's more peaceful and law-abiding countries.

Although Portugal has absorbed its African refugees more easily than most people expected, the country is still suffering from "the talent drain" of the last couple of years.

## Serious Problem

"It's quite a serious problem," says a Portuguese banker. "Companies just can't get the managerial talent they need any more." A senior civil servant in the Portuguese Foreign Ministry complains of a serious lack of competent civil servants.

There are some signs of change. José Manuel de Melo has recently returned to Portugal to run Lisnave, the big privately owned dockyards. Other business exiles have also been making trips to test the waters.

But the great Portuguese business families that fled after the revolution still have not been compensated for their nationalized properties, as the government promised. When and if that compensation is paid, they are likely to be required to invest the money in Portugal. Most observers think that is the bait that will finally lure them back.

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After five fruitless sessions of a joint commission set up by the presidents of the two countries to negotiate a settlement, Chile called its delegation home last week and a Foreign Ministry statement said that Argentina "continued to make demands that are irreconcilable with treaties and arbitration awards."

President Augusto Pinochet of Chile called on his armed forces Friday "to renew in their hearts the oath of loyalty to defend with our lives the territorial sovereignty of Chile."

This tone of nationalist exhortation is matched every day on Argentine television with public service advertisements calling on Argentines to make "territorial sovereignty a national priority."

## Naval Exercises

For the military regimes in power in both countries, the dispute — which surrounds an international arbitration award that recognized Chilean sovereignty over three islands at the mouth of the Beagle Canal — has led to displays of naval exercises, troop movements, and a profusion of statements by military commanders, nationalists and patriotic associations.

In February, the Argentine government of President Jorge Videla took the drastic decision to reject the arbitration ruling. It had been issued by the Queen of England on the basis of a finding by five judges of the International Court of Justice in the Hague. The islands of Pictor, Lennox and Nueva were awarded to Chile.

The islands, populated only by a few sheep ranchers and crab fishermen, are of insignificant economic value, but both Argentina and Chile maintain the concept of 200-mile offshore sovereignty, and the possession of the islands by Chile supports claims to the continental shelf east of Tierra del Fuego. This is a region that has produced oil and gas, somewhat north of the disputed area.

The Argentine Foreign Ministry, in a hardening of its position, said that the Chilean statement after the withdrawal of its delegates was "incompatible with the spirit of negotiations" established for the joint commission.

## Only Possibility

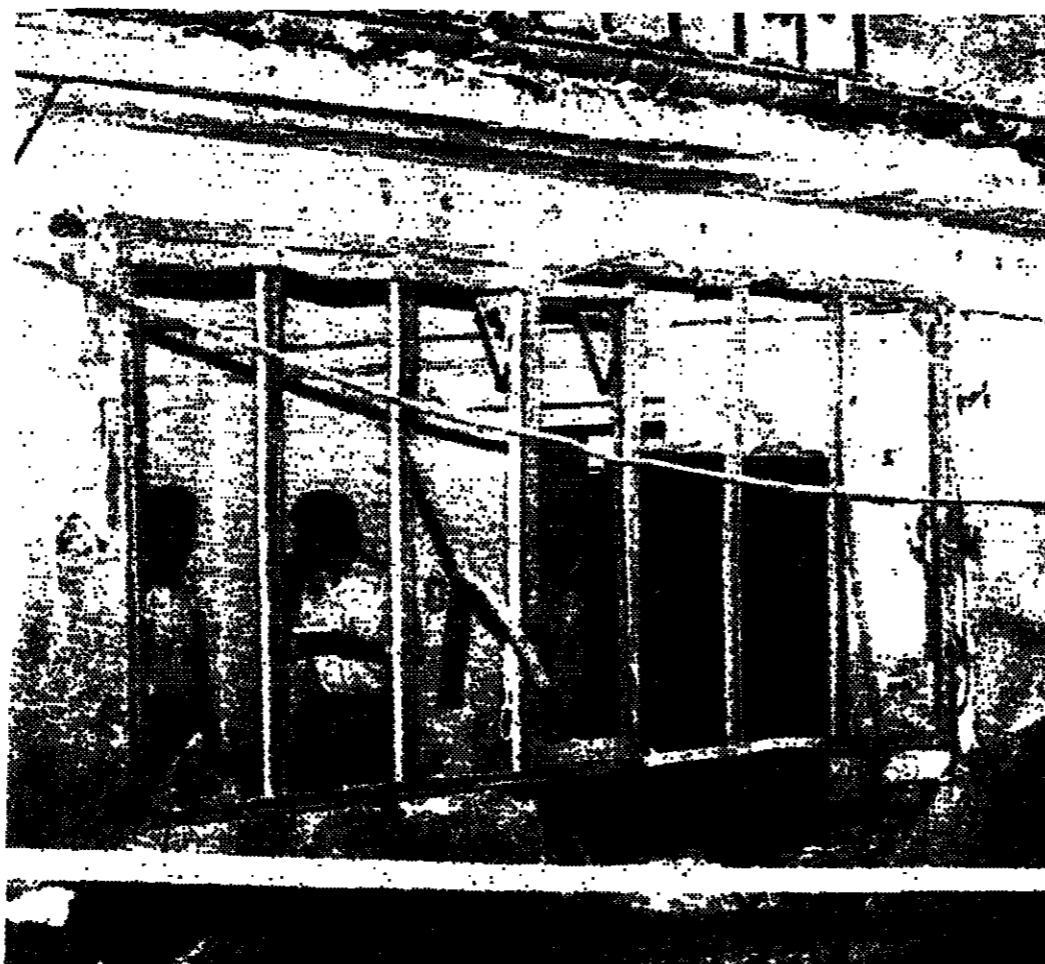
Argentina has pointedly refused to recognize any further international decision on the dispute, and has said that bilateral negotiations offer the only possibility for a peaceful settlement.

The Chilean press has implied that this stand by Argentina means either acceptance of Argentine demands or occupation by force of the islands in the disputed area.

Argentina claims that there is a historical division of the waters between Tierra del Fuego and Cape Horn, in which Chile is sovereign on the Pacific side, and Argentina on the Atlantic. There is no treaty.

## Reward for Pox Report

NEW YORK, Aug. 20 (UPI) — The World Health Organization is offering \$1,000 to anyone anywhere in the world who reports an active case of smallpox, it is reported in the current issue of Unesco Courier. The last confirmed case was reported in Somalia on Oct. 26, 1977.



Police investigate after explosion Saturday at Dusseldorf military barracks.

## Damage Put at 1 Million Marks

## 8 Blasts Hit U.K.'s Rhine Army Bases

MOENCHENGLADBACH, West Germany, Aug. 20 (AP) — Officials today estimated the damage caused by eight explosions in six British military installations in West Germany at 1 million marks (\$500,000).

One woman soldier was slightly

injured when the charges rocked barracks in Moenchengladbach, Dusseldorf, Krefeld, Duisburg, Muelheim, Ratingen, Minden and Bielefeld around 11 p.m. Friday.

Contrary to first reports of five pound bombs that did relatively little damage, a spokesman for British Army of the Rhine headquarters in Moenchengladbach said that the biggest bomb must have weighed 55 to 60 pounds.

Besides "fences blown down, windows broken, walls cracked and roof tiles blown off," the explosions also damaged about 30 private cars parked close to a military installation in Dusseldorf.

## IRA 'Speculation'

In Bielefeld, an exploding five-pound charge caused little damage. But soldiers also discovered an unexploded 60-pound bomb, which a Rhine Army spokesman said looked "very much like what we know from Northern Ireland." But he termed "pure speculation" reports that the Provisional wing of the Irish Republican Army had planted the bombs.

Police sources in Dublin had said earlier today that they believed the

Provisional wing was involved in the attacks, and that Irish security forces were cooperating with police hunting for the bombers.

No organization has claimed responsibility for the blasts.

The police sources said that while the bombs may have been planted by IRA sympathizers in West Germany they believed that the biggest bomb must have weighed 55 to 60 pounds.

Besides "fences blown down, windows broken, walls cracked and roof tiles blown off," the explosions also damaged about 30 private cars parked close to a military installation in Dusseldorf.

West German authorities, cooperating with British military police, said that they were searching for two cars with British registrations. They declined further details.

The Rhine Army warned its members and their families to be on the lookout for suspicious persons.

Foreign Minister Hans-Dietrich Genscher phoned his British counterpart David Owen yesterday and assured him that German authorities would do everything they could to find those responsible for the attacks.

With armed forces that grew from 2,000 to 14,000 men in only five years, and with military expenditures eating up 65 per cent of the national budget, Mauritania faced economic ruin. The scene was set for the military to overthrow President Moktar Ould Daddah, a French-trained lawyer who had ruled since independence from France in 1960.

Because Mr. Daddah was deeply committed to retaining Mauritania's sector of the Western Sahara, the southern third, his removal was deemed essential by the Polisario as a first step toward peace.

His replacement by a military junta, led by Lt. Col. Mustapha Ould Mohammed Salek, has set off repercussions from Rabat to Paris,

## Mauritania Talks Peace as Time Passes

By John Darnton

NOUAKCHOTT. Mauritania (NYT) — The military government that seized power in this West African country last month says that it wants to end a protracted war against Algerian-backed guerrillas in the desert wastes of the Western Sahara.

But how peace will be achieved in a conflict involving power rivalries among Morocco, Algeria and France is far from clear.

Morocco and Mauritania annexed the Western Sahara, a former Spanish colony, in an agreement struck with Spain in November, 1975. The partition was vigorously opposed by Algeria, which has supplied Soviet-made arms and a staging area for between 5,000 and 10,000 guerrillas belonging to the Polisario Front, an indigenous force fighting for independence.

Although it is one of the least habitable places on earth, the 100,000-square-mile strip of blazing desert contains what are thought to be the world's biggest phosphate deposits, with reserves estimated at 1.7 billion tons, and valuable coastal fishing waters.

Last year the Polisario announced its intention to destroy the economic base of Mauritania, the weaker of its two enemies. Beginning in October, they attacked the 400-mile railroad that curves south and west to the sea outside the Western Sahara border from Zouerate, the iron mining center that brings in 80 per cent of Mauritania's export earnings.

## Economic Ruin

Despite protection by French-managed Jaguar jets, which began air strikes against the Polisario in December, the railroad has been knocked out four times this year. In the first six months of the year, it hauled 3.1 million tons of iron ore, well below the 4.2 million tons required just to break even.

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The interview, conducted by Judge Emile Cabie.

The indictment allows French authorities to open a full investigation, but this does not always lead to prosecution, legal experts said. If the publisher is prosecuted and convicted, he faces a maximum penalty of one to five years in prison and a fine of \$72 to \$72,000.

The interview in question, published in the Aug. 4 edition of the weekly *Paris-Match*, was with Jacques Mesrine, the subject of an intensive manhunt.

On May 8, Mesrine escaped from a Paris prison where he was serving 20 years for a series of armed holdups.

With the interview, Mr. Filipacchi issued a statement condemning Mesrine's activities and saying that he was publishing the interview in the public interest.

talks with the Polisario had not yet taken place, although contacts had been made through intermediaries in Libya, Algeria and France. Stressing that all sides must compromise, he appealed loath to relinquish Mauritania's territorial claim over the southern sector of the Western Sahara.

Two days after Mr. Daddah was overthrown on July 10, the Polisario declared a cease-fire on its operations in Mauritania proper, "as a gesture of goodwill and a desire not to increase tension." It was an opportunity, the independence movement said, for the new Mauritanian government "to revise the criminal position of the deposed head of state."

Thankful for the respite, the new government has made more forceful statements about its desire for peace, but always adding the proviso that peace must come "in consultation with our Moroccan brothers."

"For us, peace is the priority of priorities," said the new foreign minister, Cheikhna Mohammed Laghdaf, in an interview with The New York Times. "But it is an essential condition to work with Morocco. A separate peace is not possible, because that would not be peace. Polisario would flee across our borders and Moroccan troops would chase them."

Mr. Laghdaf said that direct

Paris Publisher  
Is Indicted for  
Mesrine Article

PARIS, Aug. 20 (AP) — Paris Match publisher Daniel Filipacchi has been indicted for publishing an interview with a French fugitive which the court said was a justification of the crimes of robbery and murder.

Mr. Filipacchi was indicted last Thursday by Judge Emile Cabie.

The indictment allows French authorities to open a full investigation, but this does not always lead to prosecution, legal experts said. If the publisher is prosecuted and convicted, he faces a maximum

penalty of one to five years in prison and a fine of \$72 to \$72,000.

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With the interview, Mr. Filipacchi issued a statement condemning Mesrine's activities and saying that he was publishing the interview in the public interest.

Officers said the youth, the second son of Philip Crosby, ran a red light Friday and was being chased by officers in a squad car when his motorcycle smashed into a curb.

He died at a Los Angeles Hospital shortly after the accident.

## Grandson of Crosby Dies in Police Chase

BEVERLY HILLS, Calif., Aug. 20 (UPI) — Bryan Crosby, 18, the grandson of the late Bing Crosby, was killed in a motorcycle crash while being pursued by police.

The second son of Philip Crosby, ran a red light Friday and was being chased by officers in a squad car when his motorcycle smashed into a curb.

With the interview, Mr. Filipacchi issued a statement condemning Mesrine's activities and saying that he was publishing the interview in the public interest.

He died at a Los Angeles Hospital shortly after the accident.

## Obituaries

John Fischer, Ex-Editor  
Of Harper's Magazine

GUILFORD, Conn., Aug. 20 (AP) — John Fischer, 68, editor-in-chief of Harper's Magazine for more than a dozen years, has died at Yale-New Haven Hospital.

His daughter, Nicolas Hahn, said yesterday that her father was taken to the hospital for an emergency operation Friday morning and died that afternoon.

Mr. Fischer had lived on Leete's Island in Guilford for the last 11 years.

He was a Rhodes scholar from 1933 to 1935. He worked for United Press International in England and Germany and for the Associated Press in Washington before World War II.

He started his association with Harper's in 1944, was named editor

of Harper's book division in 1947

and became editor-in-chief of the magazine in 1953. He held the post until 1968 and remained a contributing editor. He wrote a column for the magazine called "Easy Chair."

Mr. Fischer also worked for the U.S. Agriculture Department and made several trips abroad as a member of the Board of Economic Warfare and the Foreign Economic Administration.

## Wang Cheng

TOKYO, Aug. 20 (AP) — Wang Cheng, 70, minister of China's fourth Ministry of Machine-Building and a pioneer of its electronics industry, died of cancer in Peking Aug. 13, the Chinese news agency reported today.

The agency said that Mr. Wang also was deputy chief of the armed forces general staff and a member of the Communist Party Central Committee and its military commission.

At a memorial meeting yesterday, the agency said, Mr. Wang was praised for "his good manner of working hard and living plainly, being approachable, keeping close contact with the masses and daring to make criticism and self-criticism."

# Bucking the Odds in Style, Italy Just Keeps Rolling Along

By Jack R. Payton

**R**OME (UPI) — By the accepted standards of modern industrial society Italy should not even exist.

Its institutions are a shambles, its economy is sick, its laws are commonly disobeyed and it is beset by terrorist bands bent on tearing down what is left of established order.

Perhaps more disturbing, most of the nation's 56 million citizens seriously question whether anything can be done to improve the situation. Italy is viewed by Italians and foreigners alike as a nation coming apart at the seams.

Yet whatever the future may hold, Italy somehow is bucking the odds, compromising, meeting crises as they come, and surviving — as it has done in face of catastrophe for thousands of years. It just could be the testing ground for a new kind of politics and a new way to organize a modern industrial community.

Italian politicians, while not the most honest and efficient, are certainly among the cleverest. They are tackling the nation's seemingly insoluble problems with methods that have never been tried before, and their methods have sparked debate throughout Europe, in Moscow and in Washington.

Italian industries, although facing Europe's toughest and most highly organized labor movement, still manage to produce competitive products known the world over for their quality and style.

Although the threat of terrorism and kidnapping has put an end to the *dolce vita* nightife of the rich and famous, the average Italian can still enjoy the relaxed way of life so admired by the 15 million visitors who arrive each year to sample delights they cannot find at home.

The three-hour lunch is still considered an essential part of life here, and so is a skiing vacation at mountain resorts such as Cortina D'Ampezzo, or a month on the beach at Capri or Amalfi.

Leisurely outdoor dining in a cobblestone Renaissance square, simple food prepared with excellent ingredients and a carafe of wine pressed from grapes grown on a nearby hillside are pleasures available to almost everyone.

It has been said of Italians that their prime talent is surviving with style, that 2,000 years of tumultuous history have taught them how to negotiate their way through hard times.

## Possible Coup

The last year has allowed them to display these talents in full measure. When five-time Premier Aldo Moro was kidnapped and killed by Red Brigades urban terrorists last spring, several leading politicians said that it was the end of the republic founded 32 years ago on the World War II ashes of Mussolini's fascism.

Italians in coffee bars and restaurants talked grimly of a possible military coup and predicted tanks in the streets the following morning. But none of that happened.

Mr. Moro's assassination left a critical vacuum at the center of the shaky Christian Democratic-Communist alliance that runs this country, but it did not tear it apart as the Red Brigades hoped.

When Italy suffered its own Watergate-style scandal only a month later and President Giovanni Leone resigned in disgrace, there was almost none of the agonized soul-searching that attended President Richard Nixon's departure from office in Washington.

The country's squabbling politicians put aside their differences, quickly elected a respected man to replace Mr. Leone, and then got down to the serious business of planning their summer vacations.

Like a veteran prizefighter, Italy's institutions and people are coming through their long ordeal scarred and bruised but perhaps better prepared than others to roll with the punches and make the inevitable adjustments.

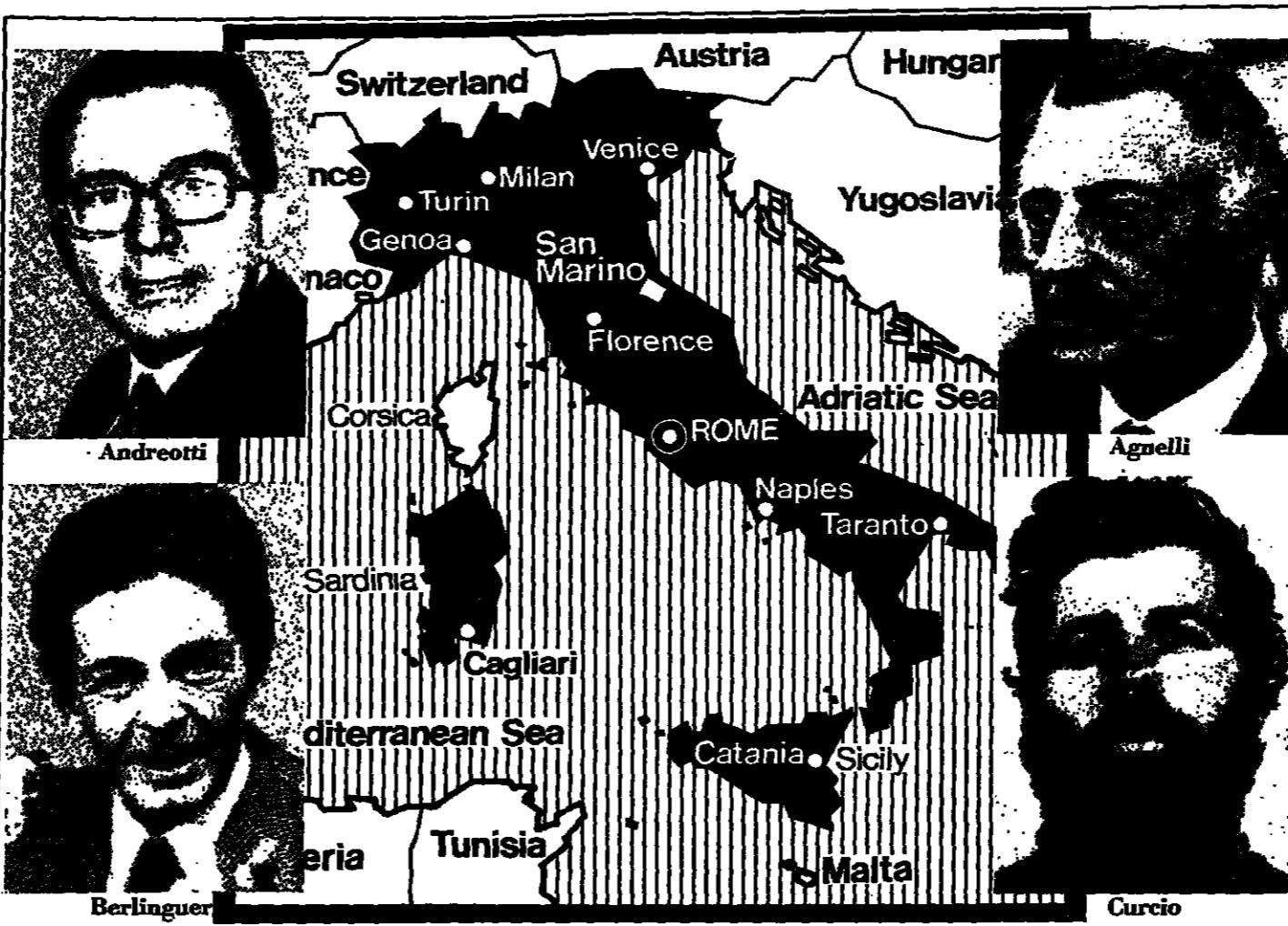
Italy's best known veteran — a one-man institution who has survived and adjusted with more style and success than any of the others — is 57-year-old Giovanni Agnelli, chief of the multibillion dollar Fiat industrial empire.

A former international playboy, Mr. Agnelli has settled down to become the wealthiest capitalist and largest private employer in a nation increasingly controlled by the Communist Party and its powerful trade union confederation.

The growth of Communist influence, according to Mr. Agnelli, has been the central factor in Italian events for the last decade and will continue to be for some time.

"The old-fashioned rightist position of ignoring the existence of the Communist Party is ridiculous. It's unrealistic," Mr. Agnelli said in a recent magazine interview. "You can't run Italy against the Communists party and the trade unions. They are too powerful."

Indeed, the bargaining strength of the Italian trade unions with their political backing from the Communist Party, has overturned the patterns of industrial labor relations traditional in the West.



It all started with the so-called "hot autumn" of 1969 when months of union agitation won workers big wage increases and more clout in determining industry policy. Since then about half of the nation's major industries have gone deep into debt and are threatened with bankruptcy.

The unions and their political backers have responded by forcing the government to "guarantee" endangered jobs, either by buying the troubled companies outright or by arranging large-scale government participation.

Without prior planning, without adequate financial means, the Italian government has assumed control of a larger share of its industry than any other Western country.

"Italy has gone beyond Communism without even noticing it," says film producer Carlo Ponti, who became a French citizen with his wife Sophia Loren ten years ago.

This in turn has loaded down the government with money-losing enterprises that have been a major factor in the country's colossal public debt.

Although Mr. Agnelli's Fiat and other well-run private businesses still manage to produce quality products and turn profits, they must contend with social and political demands from the unions as well as bread-and-butter issues of wages and fringe benefits.

This is because the major force in the labor movement is the Communist-controlled General Confederation of Italian Labor, which represents half of industrial workers. "It's all touch and go," Mr. Agnelli says of Italy's remaining private enterprise.

The rise of the trade unions and the transformation of Italy's industrial landscape would not have been possible without the growing strength of the Italian Communist Party, the largest in the West with 1.8 million registered members.

Led by able strategists, the Communists have managed to gain ground in every national election since 1948. Party leader Enrico Berlinguer, a sharp-featured Sardinian of noble ancestry, is generally considered the

shrewdest politician in Italy and the most original Communist tactician in decades.

Under Mr. Berlinguer, the Communists shed their old Stalinist image, promised to respect Italy's multiparty democracy and collected 12.6 million votes in the 1976 national elections.

This gave them 34.5 percent of the vote — four percentage points less than the ruling Christian Democrats — and opened the way for a formal Communist role in the parliamentary majority for the first time in more than three decades.

Mr. Berlinguer is the creator of what has become known as Eurocommunism, and has been pushing the Christian Democrats to join the Communists in a formal government coalition he calls "the historic compromise."

As Mr. Berlinguer explains it, the presence of the Christian Democrats in such a government would guarantee the continued existence of democracy and forestall a possible military coup or international interference.

## Compromise

It is no coincidence that the Communist leader unveiled his "historic compromise" proposal soon after a military coup backed by CIA toppled Socialist President Salvador Allende in Chile.

In the process of seeking the compromise, the Communists have had to jettison — at least publicly — some of the key doctrines that they inherited from their Soviet forebears.

The terms "dictatorship of the proletariat" and "Marxist-Leninist" have been quietly dropped from the party vocabulary. The Italian party sharply criticized the Soviet invasion of Czechoslovakia in 1968 and has been critical of recent trials of Soviet dissidents.

Policy-makers in Washington are not entirely convinced. "We don't doubt Berlinguer is sincere about his democratic principles," says a Western diplomat. "But the main worry is what happens if the Communists

finally win full power. The left wing, the radicals, would start pushing Berlinguer hard to make big changes and we're not sure he could resist it."

If Mr. Berlinguer's Communists have not convinced the United States, they have convinced a lot of Italians.

In addition to their power on the national level, local Communist administrations watch over the lives of 29 million Italians, or 52 percent of the population.

The cooperation between Communists and Christian Democrats has given Italy relatively stable governments for the past two years, but they have failed to make measurable progress in solving the problems of unemployment and terrorism.

An estimated 1.5 million Italians are out of work — roughly 7 percent of the work force. Of these more than 1 million are under 25, and 400,000 are university graduates.

Much of the nation's agonizing political terrorism can be traced directly to university graduates of the late 1960s who turned to extremism when they were unable to find work.

One such graduate was Renato Curcio, who found that a sociology degree from the University of Trento was useless in making a living. He established the Red Brigades urban terror gang in 1969.

After five years of industrial sabotage and kidnapping, the Red Brigades got into the business of killing in the summer of 1974 when an attack squad murdered two members of an extreme rightist party. Since then the gang has murdered a total of 18 persons and maimed about 60 in leg-shooting attacks.

Police have picked up more than 160 Red Brigades members and estimate that there are about 400 gang members still on the loose, including about two dozen expert killers.

The Red Brigades, however, is only the best known Italian terror gang. Police estimate that there are about 137 such bands of the extreme left and right — almost double the number of last year.

Together, these gangs carried out more than 2,000 terror attacks last year. During the first six months of this year they have stepped up the pace, with 1,487 attacks — including 23 assassinations — recorded through June.

According to police anti-terrorist experts and statements by gang leaders themselves, much of the political violence stems directly from the policy of cooperation between Mr. Berlinguer's Communists and the ruling Christian Democrats.

## Carabinieri Force

The far-leftist gang leaders believe that the Communists have betrayed the revolution cause. The Red Brigades has said often that its aim is to trigger a violent revolution that would bring Mr. Berlinguer's Communists back to power.

Italy's main instrument in making sure that doesn't happen has been the 90,000-member carabinieri paramilitary police force, the country's most highly trained and organized antiterrorist weapon. But even the carabinieri and other special police units have been unable to make a serious dent in terrorist activity.

Novelist Morris West, a longtime resident of Italy, maintains that the Red Brigades and similar groups "have succeeded in their sinister purpose of spreading confusion and fear, of destroying the last vestiges of public confidence."

Terrorism and the record wave of kidnappings often associated with it have wrought other changes in the Italians, changes more obvious than a lack of confidence in their government.

Wealthy or prominent Italians rarely go to the chic sidewalk cafes or restaurants at night. If they do, the women leave their fur coats and jewels at the door.

Mr. Agnelli travels by helicopter when possible, and when he has to use a car it is a bulletproof model accompanied by escort vehicles filled with bodyguards.

Even Mr. Agnelli is not as heavily guarded as Mr. Berlinguer, considered the nation's prime terrorist target.

One of the reasons Carlo Ponti and Sophia Loren moved to Paris was the fact that someone would kidnap their young son.

But for ordinary mortals — Italians who are not wealthy or prominent, or the millions of foreign tourists — Italy can still be a paradise of good weather, good food and wine, unmatched scenery and incomparable history and art.

And despite the troubles they face, Italians still maintain their legendary good humor, flamboyant manners, quick wits and ingenuity.

The terrorism, the economic problems and the Communist challenge are testing Italians as they have never been tested since World War II. Many experts, some of them Italians, think that the challenges this time are too tough, that the nation just may fall apart.

Italians have proved a lot of people wrong over the centuries.

## But the Mayor Promises Protection Measures

# In Madrid, Drivers Show Little Concern for the Safety of Pedestrians

By Stanley Meisler

**M**ADRID — Mayor Jose Luis Alvarez has announced a "plan for the protection of the pedestrian" in Madrid. This pedestrian welcomes the plan but has few hopes for it.

Walking the streets of Madrid is a hazardous venture. I have not read the traffic code, but no matter what it says there is little doubt that pedestrians never have the right of way. A comic short playing in the local movie houses shows a blind man trying to cross a Madrid street at a zebra-striped crosswalk. Every time he steps into the crosswalk cars drive him back. Finally, another handicapped Spaniard, a mute, takes the blind man by the arm and walks him down the crosswalk. They are both run over.

Things are not really that bad, but they are bad enough. Drivers do not slow down at pedestrian crosswalks unless they feel forced to do so. They often will blow their horns furiously at persons daring to cross. Only if the pedestrian is brave enough to keep on walking will the angry driver stop his car.

## Yellow Lights

Yellow traffic lights present a problem. These traffic lamps show a green light to pedestrians and a yellow light to the oncoming cars. A car is supposed to proceed cautiously on yellow, and only if no pedestrians are crossing the street. But most drivers treat a yellow signal as if it were green. I once saw an old woman stranded in the middle of a boulevard as she tried to cross with a green pedestrian light in her favor. The first two lanes of traffic had stopped for her, but the third and fourth lanes simply roared through the yellow light.

Red lights can be just as dangerous. Once a red light flashes, drivers who see it figure that they still have about 15 seconds to zip through the intersection. On the other hand, drivers who do stop at a red light feel that they have the right to start into the intersection a few seconds before the light turns green. These attitudes, of course, are contradictory, often provoking loud horn blowing and sometimes a crash.

For the pedestrian, the hazards of this unwritten rule are obvious.

## Prague a Decade After Invasion: A Mood of Dour Resignation

By David A. Andelman

**P**RAQUE (UPI) — Czechoslovakia, its soul scarred by 10 years of Soviet occupation, is rebuilding its economy, its political and social structure, even its cultural life, with the dour resignation that is so much a part of the Czechoslovak character.

Quietly, as befits the heavy police effort to insure calm — Czechoslovaks are marking in their hearts, and in quiet gatherings far from the centers of power, the 10th anniversary of the Soviet-led invasion.

But Czechoslovakia today is vastly different from the nation that tens of thousands of Warsaw Pact troops occupied in their lightning strike in 1968, cutting short the brief period of liberalization known as the "Prague Spring."

It is a country whose leadership tries every day to vindicate the armed force that dramatically changed the nation's direction. But the balance sheet is still not closed. For Czechoslovakia and for Eastern Europe, but especially for the Soviet Union, 1968 was very much a two-edged sword.

Cosmopolitan, Prague is little different from the cobblestoned medieval town that the Soviet paratroopers poured into shortly after midnight on Aug. 20-21, 1968. The gray-green Vltava River still flows under the bridges King Charles ordered built six centuries ago. Czechoslovaks still awaken in the old town square and gaze out their windows at the tower where an alchemist once tried to turn lead into gold.

But not much else is the same. The effort of vindication means "progress" to the government of Gustav Husak, installed by the Soviet leadership after they deposed Alexander Dubcek, the leader of Czechoslovakia during the Prague Spring. And progress means a new subway — the most elaborate in Eastern Europe — whose second line was opened in a star-studded ceremony last Saturday.

Progress means the six-lane superhighway linking Prague with the industrial metropolis of Brno to the south and on to the Slovak provincial capital of Bratislava, the city to which Mr. Dubcek and

many motor vehicles as all of Spain. Second, pedestrians have learned to walk defensively.

In four decades of Franco, Spaniards learned or at least were forced to learn how to obey most rules and regulations. The grand exception seems to be the traffic code. On the highways, cars do not pass each other one at a time but in tandem, four or five together. In the cities, drivers will speed at 50 miles an hour down crowded streets.

Perhaps it originally stemmed from a need for Spaniards to

brace their noses at the dictator. But, if so, democracy does not seem to have changed the attitude.

A taxi driver recently entered a special lane that was prohibited to all vehicles but buses. "This is a bus lane," he said, "but now that we have democracy the lane is for everybody."

Then, too, some pedestrians are as lackadaisical about traffic lights and rules as the motorists. A driver may not feel like slowing down for one pedestrian at a crosswalk when another pedestrian has forced him

to brake by darting in front of a car a block before.

Moreover, driving through the congested, narrow streets of the old part of Madrid can be frustrating and wearing. A driver, once he frees himself from a sidewalk, may simply feel: "Damn the pedestrian — full speed ahead."

In the last few months, city officials have started to deal with Madrid's traffic problems. To clear central Madrid of congestion, a campaign was launched against illegal parkers. Police began applying

the *cepo* — a yellow clamp — to the wheels of offending cars. To remove the clamp, the owner must go to the nearest police station, pay a fine and return with a policeman and a key. Many motorists, even those who had parked on sidewalks, complained that this was an unjust and improper infringement of their civil rights in a democracy; but the police have kept clamping on the *cepo* anyway.

City officials also moved to eliminate some of the traffic risks. Mr. Alvarez announced his "plan for the protection of the pedestrian." For instance, a few historical, narrow old streets that have been provisionally off limits to cars for the last few years would now be permanently off-limits. More important, Mr. Alvarez said, the city would spend \$35,000 on a survey to find out what the people of Madrid wanted should be done about their traffic and the problems of pedestrians.

But even if the plan fails, there still is hope. The editors of the Madrid newspaper *El País* recently fed the rate of increase of registered cars in Madrid — about 500 a day — and the total widths of all the streets of the city into a computer.

The computer concluded that the cars would use up every available inch of space in Madrid at 9 o'clock on the morning of Nov. 25, 1980. On that day, we pedestrians can pick our way past hundreds of thousands of blocked cars and fuming drivers with impunity.

## Survey Supports Carter on Rights

**N**EW YORK, Aug. 20 (UPI) — A Harris Poll has found that President Carter has grass-roots

## BUSINESS

## INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

PARIS, MONDAY, AUGUST 21, 1978

## FINANCE

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## Commodity Prices Affected by Dollar

**NEW YORK.** Aug. 20 (AP-DJ) — The fortunes of the dollar governed activity on the nation's futures exchanges last week, as prices for a wide range of commodities bounded along with the wild gyrations of the U.S. currency.

Precious metals and major foreign currencies reaped to record and near-record levels early in the period, mirroring the dollar's distressing record on international money exchanges.

In a wave of profit-taking, futures prices for gold, silver, platinum and most foreign currencies topped almost as fast as they had risen and, except for the Swiss franc, wound up with substantial losses.

As the bells clanged, gold futures on New York's Commodity Exchange Inc. were quoted at prices

\$1.60 to \$5.10 lower than a week earlier. December delivery contracts ended at \$212.70 an ounce. Silver deliveries netted losses of 22.6 to 23.6 cents an ounce, while platinum prices sank about \$5.50 to \$6.

Japanese yen futures traded on the International Monetary Exchange in Chicago tumbled 123 to 130 points. Swiss francs benefited from their expanded, daily limit gains early in the week, though, and finished 43 to 55 points ahead.

On the Chicago Board of Trade, soybeans surged by 22¢ to 32¢ a bushel. August contracts closed at \$6.574 a bushel, their highest price since mid-July. Wheat futures swelled 11 to 11½ cents, while corn prices jumped 9 to 10 cents a bushel.

Short-term Treasury bills were the weakest among interest rate futures, plunging 22 to 34 points. Government National Mortgage Association contracts finished about steady in more distant months to 14 points lower in the nearest contract, and long-term Treasury bonds skidded 8 to 18 points.

Meanwhile, livestock futures on the Chicago Mercantile Exchange recovered early week losses. Firm cash markets and the increase in grain-prices influenced the turnaround.

Livestock contracts advanced a total of 0.97 to 2.4 cents a pound, while hogs posted moderate gains. Pork-belly futures gave up 0.7 to 1.2 cents a pound, however, in response to slower movement of the product into consumer channels and adverse reports on the use of nitrates in curing bacon.

In New York, coffee futures shot up approximately 15 to 22 cents a pound. Said Yomiuri Shimbun newspaper, Nippon Steel and the Algiers government will conclude a technical agreement on the mill, part of Algeria's 10-year steel output project, within the year.

It will be the biggest foreign steel plant Nippon Steel has ever helped a foreign country build. Yomiuri quoted company officials as saying.

Algeria imports about two million tons of steel and will need a total of five million to meet domestic demand for the next 10 years.

Eurobond prices might have

been cut even further, dealers said, had it not been for the fact that the interest rate increase tended to harden the dollar's exchange rate for a time.

Losses of 4¢ to 5¢ or more were recorded over the week as well above month-earlier levels. Technical influences were said to be "hard at work."

Caution remained the watchword in the Eurobond market, especially as U.S. officials began voicing concern about the dollar problem and the "disorderly" conditions on the foreign-exchange market. The White House issued its first statement in weeks on the dollar, expressing President Carter's "deep concern." Treasury Secretary Michael Blumenthal and Federal Reserve Chairman William Miller started to prepare recommendations "in a number of areas" on what might be done to help the U.S. currency.

At the start of the week, Eurodollar bond prices held firm following the previous week's gains on the lingering belief that U.S. short-term interest rates had nearly peaked. Professionals willingly provided a floor for prices, saying any small selling.

But as currency considerations intensified Tuesday, with the dollar scoring record lows against the Deutsche mark, Swiss franc and yen and gold reaching a new high, prices were driven down by 4¢ to 5¢ point. The market grew nervous ahead of a meeting of the U.S. Federal Reserve System's policy-making arm, the Open Market Committee, amid speculation that U.S. credit conditions could be tightened in response to the dollar's weakness.

Toward the end of the week, Eurodollar prices sank a further 4¢ to 5¢ point as it became evident that the Fed had raised the key rate on federal funds — the reserves banks lend one another — from 7% percent to 8 percent.

Many analysts in Europe basically shared Mr. Butcher's view, saying that tighter monetary policy would have less of an adverse impact on U.S. economic growth than

## Euromarket

## Eurobonds Slip as U.S. Interest Rates Rise

By William Kuccewicz

LONDON, Aug. 20 (AP-DJ) —

An apparent increase in short-term

U.S. interest rates continued

turmoil on the foreign-exchange

market, and vague gestures of sup-

port for the ailing dollar by U.S.

officials left Eurodollar bond prices

lower on average last week.

Turnover fell markedly, in both

the dollar and Deutsche mark sec-

tors, as most retail clients took to

the sidelines, leaving the market

mainly to professional traders.

"Customers have been frightened off by the currency volatility," one deal-

er remarked.

Holidays in various European

centers Monday and Tuesday also

accounted for part of the slackening

of volume.

Meanwhile, the big news in the securities markets was the stiffening in two critical rates. First, the federal funds rate, known as the cutting edge of all short-term rates, moved up a notch Wednesday to 8 percent, its highest level since 1974. This was the result of action by the Federal Reserve Board in a preliminary move to prop up the dollar. Then, shortly after the noon hour on Friday, the Fed fired off an even bigger salvo in its battle to protect the American currency.

It raised the discount rate, or the rate at which member banks borrow money from the Fed itself, by a half-point to 7.75 percent, effective tomorrow. The nation's money manager said it took this step "in view of recent disorderly conditions in foreign-exchange markets as well as the continuing serious domestic inflationary problem."

The immediate result of that rate increase was to send stock prices higher, but the equity market weakened later Friday afternoon.

## Nippon Steel to Help Algeria Set up a Mill

**TOKYO.** Aug. 20 (UPI) — Nippon Steel Corp. will send a group of technicians to Algeria in September to help launch a steel mill with an annual production capacity of 10 million tons, it was reported today.

Algeria imports about two million tons of steel and will need a total of five million to meet domestic demand for the next 10 years.

The Yomiuri Shimbun newspaper said Nippon Steel and the Algiers government will conclude a technical agreement on the mill, part of Algeria's 10-year steel output project, within the year.

It will be the biggest foreign steel plant Nippon Steel has ever helped a foreign country build. Yomiuri quoted company officials as saying.

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Eurobond prices might have

## U.S. trade performance subsided

somewhat in the dollar debate amid forecasts by several leading banks that the U.S. trade deficit will narrow in the second half of the year and into 1979 compared with a \$16.4-billion gap in the first six months of this year. Calls in Europe for quick implementation of a U.S. energy policy, for instance, were noticeably less vociferous.

Instead, analysts are looking for their intentions toward the dollar and interest rates, the Eurobond market is likely to remain in a quandary, with thin volume and high price volatility, bond dealers forecast. But once this uncertainty is removed — and assuming orderly conditions return to the foreign-exchange market, The White House issued its first statement in weeks on the dollar, expressing President Carter's "deep concern." Treasury Secretary Michael Blumenthal and Federal Reserve Chairman William Miller started to prepare recommendations "in a number of areas" on what might be done to help the U.S. currency.

Further Cut Likely

The Fed announced late Friday an increase in the discount rate — the fee it charges on loans to member commercial banks — to 7.75 percent from 7.25 percent, effective tomorrow. The move is likely to result in a further cut in Eurodollar bond prices, dealers said.

Eurobond dealers noted with special interest a Dow Jones interview with Chase Manhattan Corp. president Willard Butcher, who said the United States must take swift and bold action to restore confidence in the dollar. "The fun and games are over," he stated. "Unless drastic measures are taken, I think we will have a continued high rate of inflation and depreciation of the dollar," he said, adding: "I believe that inflation is a begeter of recession."

Many analysts in Europe basically shared Mr. Butcher's view, saying that tighter monetary policy would have less of an adverse impact on U.S. economic growth than

(Continued on Page 11, Col. 1)

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## Euromarket

(Continued from Page 7)  
Dec. 15 at 14% a share, was cut to 8.4 percent from an initial 10-15 percent. Smith Barney said the reduction was in recognition of the instability of the dollar.

The managers of the Texas International Airlines issue seemed to be trying to avoid a repetition of the events in the secondary market that befell a recent \$25-million convertible issue by Coca-Cola Bottling of New York Finance N.V. The issue, with a 6.75-percent coupon, was priced at par but traded this week at 97.25-98.25.

The only straight Eurodollar bond signed last week was a \$70-million, 12-year floating-rate issue for Panama. It was well oversubscribed and priced at par, joint lead manager Dillon, Read & Overseas Corp. said. Interest will be payable semiannually at a rate of 1 percent, plus over the London interbank offered rate (Libor) for six-month Eurodollar deposits, with a minimum rate of 7.0 percent.

### EIB Plans Issue

Two Eurodollar offerings are scheduled. Frab Bank International will issue \$25-million, floating-rate bonds due 1986, carrying interest of 0.25 percent above Libor, with a minimum of 6.25 percent, managed by Societe Generale. European Investment Bank plans a \$100-million issue due 1990, jointly managed by Nikko Securities Co. and Credit Suisse-White Weld.

In the Deutsche mark sector, prices gained up to 1/4 point Monday following German central capital market approval of a \$50-million DM, six-issue calendar for August. Thereafter, prices fluctuated within 1/4 point in quiet trading. The price of a five-year, 65-million DM bond for UDS Group (Netherlands) B.V., guaranteed by UDS Group Ltd. of London, was fixed at 99.25, with a coupon, as indicated, of 5.75 percent, Berlin Handels und Frankfurter Bank, lead manager, said.

In the securities market, the price of a 65-million DM issue by Mitsubishi Petrochemical Co., guaranteed by Mitsubishi Bank due 1983, slipped to 98.25-98.75 from an offering price of 99.5. It carries a 5.75 coupon. Murata Manufacturing Co.'s 40-million DM, eight-year convertible notes, bearing 3.5 percent, dropped in the

aftermarket to 98.00-50 from an initial 99.5. Nippon Steel Corp.'s 100-million DM, seven-year issue, with a 5.75 percent interest rate, was traded at 97.25-75, down from an offering price of 99.00.

Slated Deutsche mark issues include Cassio Computer Co. 40 million DM, due 1985, unguaranteed, convertible starting November 1978 into Cassio shares, managed by Dresdner Bank and Dawa Europe N.V. Norske Stats Ojeselskap (Slateo) plans 150 million DM, guaranteed by the Kingdom of Norway, due 1988, bearing 6 percent. Repayment begins after a five-year grace period and it is managed by Deutsche Bank.

### Euroyen Offer

Trio-Kenwood Corp. has scheduled 40 million DM, due 1986, semi-annual interest at 3.5 percent, convertible into Tokyo-listed Trio-Kenwood shares as of Nov. 21, jointly managed by Deutsche Bank and Nomura Europe N.V.

The book on a 15-billion-Euroyen issue by Asian Development Bank is said to be going quite well. The 10-year bonds are expected to have a 5.75 percent coupon and to be priced at par.

In the Swiss franc sector, Chase Manhattan Overseas Banking Corp., a subsidiary of Chase Manhattan Bank N.A., has scheduled a 70-million-franc, 15-year issue, bearing 4 percent, to be priced at par. Redemption can begin on all outstanding bonds commencing in 1984 at premiums, which decrease until 1991 and, thereafter, at par. F.L. Smithid of Denmark, has on offer 25 million francs of 11-year bonds, with a 4.5-percent interest rate, to be issued at par. Both are being managed by Swiss Bank Corp. The World Bank's 250-million-Swiss-franc issue of 15-year bonds, offered at a price of 100.50, was oversubscribed Friday, Swiss Bank Corp. said.

### Tokyo Hails Fed Move

TOKYO, Aug. 20 (Reuters) — The Japanese finance ministry welcomed the U.S. Federal Reserve Board's action to raise the discount rate to 7.75 percent from 7.25 percent effective tomorrow. The rise was widely expected, ministry officials said.

### Eurobond Yields\*

Week Ended August 16  
(U.S. Dollars)

International institutions

8.77 %

Industrials, long term

8.74 %

Canadian dollars, medium term

8.72 %

French franc, long term

9.16 %

Unit of acc.long term

10.03 %

Calculated by Lombard Stock Exchange

Market Turnover

Week Ended August 18, 1978

(Millions of U.S. Dollars)

Debt Equipment

Codel 613.00 432.00 181.00

Euroci 1,353 1,167 185.60

Calculated by Lombard Stock Exchange

Home Rates

Rico, Boston, 30; High, Milwaukee, 27; GTE-

Milwaukee, 27; Bayview, California, 25; E-

Murphy, Baltimore, 24; Thornton, Cleveland, 24;

7.49%

Pitching (11 Decisions)

B. Stanley, Boston, 10-1, 309; Goldry, New

York, 17-3; J. A. Currie, Boston, 18-3, 269;

Eckerman, Milwaukee, 12-5, 271; P. Miller,

Detroit, 13-2, 272; Cole, Kansas City, 13-5, 222;

Torrez, Boston, 15-4, 374; Toman, California, 16-

7.49%

NATIONAL LEAGUE

G AB R H Pet.

Burns, Atlanta 116 379 57 121 .319

Ross, Cinc. 122 511 51 158 .209

Conception, Chi. 117 458 62 134 .206

Buckner, Chi. 119 451 52 134 .205

McGraw, St. L. 91 341 59 104 .305

Bow, Phil. 117 469 54 147 .205

Smith, LA. 102 372 72 112 .305

Parker, Phil. 114 322 65 114 .305

Wells, SF. 114 321 65 114 .305

Clark, SF. 119 446 49 133 .296

Pitching (11 Decisions)

Luzinski, Philadelphia, 26; Foster, Cincinnati,

28; Rasmussen, Los Angeles, 27; Porter, Pittsburgh,

23; Kingman, Chicago, 21.

Advances: 2,110; declines: 477; unchanged:

218; New Highs: 482; new lows: 12

Volume: 178,126,000 shares

Last Week: 189,250,000 shares

1977 same week: 97,820,000 shares

Week to date: 4,000,000 shares

1977 year to date: 3,200,000 shares

7/26/78

Shares Traded: 2,117

New Highs: 482; new lows: 12

Volume: 178,126,000 shares

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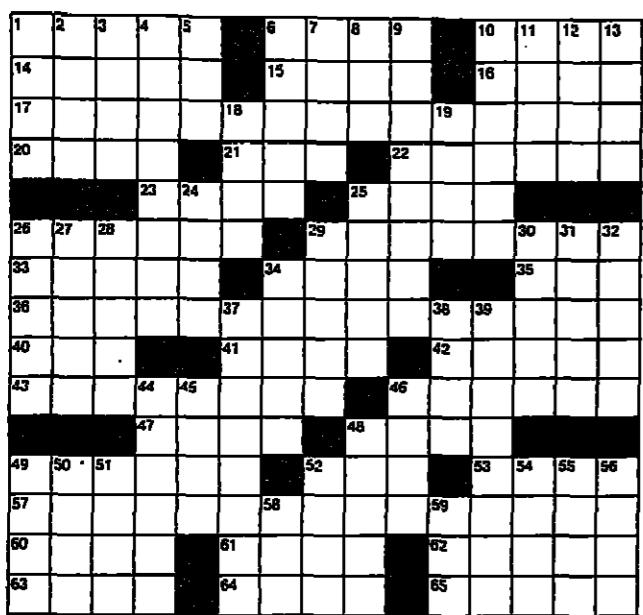
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**CROSSWORD** By Eugene T. Maleska

**ACROSS**

- 1 Dame
- 6 Painter Chagall
- 10 Senora's home
- 14 Merman
- 15 Suffix with buck
- 16 Fortuneteller's words
- 17 Film in which Hepburn won an Oscar: 1968
- 20 "Like it Hot": 1959 film
- 21 Relative of a Teddy boy
- 22 Dependable
- 23 As neat as —
- 25 Throat-clearer's rebuke
- 26 Pamper
- 29 Virgin's bower
- 33 Coat fur
- 34 Jab
- 35 Turkish title of respect
- 36 Stravinsky ballet
- 40 Jasmine is one
- 41 Part of the overhead
- 42 Former ice queen
- 43 Dynamo part
- 46 Alcove
- 47 Pumpernickels
- 48 Caterwaul

**DOWN**

- 1 N.J. court team
- 2 Roman emperor: A.D. 69
- 3 "Let — eat cake"
- 4 One that frees
- 5 Actor Wallach
- 6 Massenet opera
- 7 Desertlike
- 8 Sportscaster
- 9 Shelters for cattle
- 10 Film, or place where it is shown
- 11 Contemporary of Lassie
- 12 Pearl Buck's "Dragon" —
- 13 Ethereal
- 14 Leave out
- 19 Part of a list

NEW YORK (AP) —

The following securities, supplied by the National Association of Securities Dealers, Inc., are the prices at which these selected securities have been sold (Net Asset Value) or bought (value plus sales charges) Friday.

Bid Ask

AGEFd 47.47 47.47

AcFmP 20.46 NL

AdmInv 11.16 NL

Affair 12.49 NL

Alfred 12.57 NL

AlhceF 10.31 11.27

American Funds 1.54

Asta 9.49

Armc 8.87 9.49

Armut 11.04 12.07

ArtDiv 1.00 NL

ArtInv 7.00 8.53

AnSp 4.59 4.59

Bond 14.28 15.15

Fidelity Group: 8.87 9.64

GorInv 7.74 8.42

Incom 8.29 9.04

ICA 17.85 18.34

IndInv 16.72 17.53

FdAm 7.44 8.13

ProvInv 3.99 4.30

AldInv 4.05 4.71

AldHrt 1.94

AinstInv 5.44 5.95

AldInv 2.23 2.64

Cord 8.84 9.49

CnfdSh 5.59 5.56

IndFd 6.50 7.10

Verm 18.77 19.37

Edgth 8.73 9.53

FdAm 7.03 7.53

ProvInv 7.11 7.77

AldInv 7.00 7.53

AldInv 2.23 2.54

AldInv 1.00 1.15

**Sutton Loses 10th****Mets Defeat Dodgers, 8-4**

**NEW YORK.** Aug. 20 (AP) — Steve Henderson's two-run single highlighted a four-run sixth inning yesterday, carrying the New York Mets to an 8-4 victory over Los Angeles and ending the Dodgers' four-game winning streak.

After New York reliever Dale Murray, 6-5, pitched out of a bases-loaded, one-out jam in the top of

**Rice Hits 30th Home Run****Friday: Torrez Wins 15th As Boston Beats Oakland**

**OAKLAND, Calif.**, Aug. 20 (AP) — Jim Rice had four hits, including his 30th homer of the season, and Mike Torrez won his 15th game, leading the Boston Red Sox to a 6-3 victory over Oakland Friday night.

Torrez, who has lost six games, pitched eight innings before being relieved by Dick Drago, who recorded his seventh save.

Rice, who has 101 RBIs, beat out a hit to shortstop to start a three-run eighth inning that snapped a 3-3 tie. Carlton Fisk, who singled to score Rice in the sixth, then doubled for what proved to be the winning run. Jack Brohamer doubled to score Fisk and then scored himself on a single by Dwight Evans.

Starting Steve Renko, who allowed Rice's two-run shot in the first, and his leadoff hit in the eighth, lost his eighth game against six victories. Rico Carty's single scored Oakland's first two runs in the third, and a pinch-hit single by Taylor Duncan scored the third run in the seventh that tied the score.

**White Sox 7, Indians 1**

At Cleveland, a two-run triple by rookie Mike Squires and a two-run home by Ralph Garr highlighted a four-run first inning that helped Chicago to a 7-1 victory over Cleveland.

**Yankees 6, Mariners 1**

At Seattle, Graig Nettles drove in three runs and Ed Figueroa buried a four-hitter to lead New York to its fourth straight victory, a 6-1 decision over Seattle. Figueroa, 12-8, struck out four and walked two en route to his ninth complete game. The loser was Paul Mitchell, 6-12, the first of four Seattle pitchers.

**Angels 3, Orioles 2**

At Anaheim, Calif., Don Baylor belted a two-out solo home run in the ninth and Chris Knapp pitched a seven-hitter, helping California to a 3-2 victory over Baltimore.

**Twins 4, Blue Jays 3**

At Bloomington, Minn., Glenn Adams doubled with one out in the 10th to drive in Hosken Powell with the winning run and give Minnesota a 4-3 victory over Toronto. With one out, Powell singled off reliever Tom Murphy, 4-9. Adams then doubled off the wall, right-center to score Powell. Reliever Jeff Holly, 1-1, pitched four innings, allowing two hits.

**Rangers 4, Royals 3**

At Kansas City, throwing errors by Pete LaCock and Fred Patek led to four unearned runs, allowing Texas to defeat Kansas City, 4-2. In the first, Mike Hargrove and Jim Sundberg singled and first baseman LaCock threw wildly to second on a grounder, allowing both runners to score. Bobby Bonds opened the fourth with a single and took second when shortstop Patek threw wildly to first. Bonds took third when Richie Zisk reached first on a passed ball by Darrell Porter after Zisk had struck out. John Lowen-

the sixth, the Mets went to work against Don Sutton, 12-10.

John Stearns doubled and Bruce Boisclair walked. One out later, after Doug Flynn walked to load the bases, pinch-hitter Ron Hodges lofted a pop fly that was dropped by shortstop Bill Russell.

Stearns scored on the play, snapping a 3-3 tie. Then Lee Maz-

zilli drew a bases-loaded walk and, one out later, Henderson cracked the single off reliever Charlie Hough that helped the Mets to their second victory in eight games.

**Reds 9, Cubs 7**

At Chicago, singles by Mike Lum and pitcher Tom Hume in the 10th inning led Cincinnati to an uphill 9-7 victory over Chicago. Dan Driessen opened the Cincinnati 10th with a single and, when right fielder Bobby Murcer dropped Johnny Bench's line drive, Driessen was forced at second. Dave Concepcion singled before Lum's fourth hit of the game scored Bench. Hume then singled home two more runs through a drawn-in infield.

**Padres 3, Expos 2**

At Montreal, Randy Jones and Rollie Fingers combined on a five-hitter and Jones knocked in the winning run with a sixth-inning single as San Diego posted a 3-2 victory over Montreal. Jones, 11-11, allowed two unearned runs over seven innings before yielding to Fingers, who extended his major-league-leading save total to 28.

**Pirates 4, Astros 2**

At Pittsburgh, Frank Taveras stole three bases and scored two runs, leading Pittsburgh to its fifth straight victory, a 4-2 decision over Houston in the first game of a doubleheader. The second game was postponed because of rain and was rescheduled for today as part of a doubleheader.

**Braves 3, Cardinals 0**

At St. Louis, George Hendrick singled home two runs during a four-run fifth inning to give St. Louis a 5-1 victory over Atlanta. Wayne Garrett led off the Cards' fifth with a double and Jerry Morales followed with a single. Garrett scored on a sacrifice fly by Mike Phillips. Lou Brock walked. Gary Templeton doubled home Morales and Hendrick drove in Brock and Templeton in the ninth.

**Reds 8, Cubs 3**

At Chicago, Cincinnati stormed to an 8-3 victory over Chicago as George Foster and Johnny Bench drove in four runs with back-to-back homers in the first and consecutive doubles in the ninth.

Foster's 27th homer came after Dave Concepcion singled and followed with his 18th off

straight decision over a doubleheader.

**Phillies 3, Giants 0**

At Philadelphia, Mike Schmidt led off the game with a home run and Steve Carlton scattered 10 hits as Philadelphia snapped a five-game losing streak with a 3-0 victory over San Francisco. The game ended when Marc Hill was thrown out at home attempting to score from first on Johnnie LeMaster's double. The victory extended Philadelphia's lead in the National League East to three games over Chicago and prevented San Francisco from gaining ground on first-place Los Angeles in the West.

**A's 8, Red Sox 4**

In the American League, at Oakland, designated hitter Rico Carty drove in two runs with his 22nd homer of the season and an infield out as Oakland defeated Boston, 8-4, and snapped a seven-game losing streak.

**Royals 3, Rangers 0**

At Kansas City, Clint Hurdle hit a two-run home run with Marc Hill on base with two out in the ninth as Philadelphia snapped a five-game losing streak with a 3-0 victory over San Francisco. The game ended when Marc Hill was thrown out at home attempting to score from first on Johnnie LeMaster's double. The victory extended Philadelphia's lead in the National League East to three games over Chicago and prevented San Francisco from gaining ground on first-place Los Angeles in the West.

**White Sox 2, Indians 1**

At Montreal, losing pitcher Steve Rogers walked in the tying run and pinch-hitter Gene Tenace drove in the eventual winning run with a sacrifice fly in the seventh, giving San Diego a 3-2 victory over Montreal.

**Dodgers 7, Mets 3**

At Bloomington, Minn., Glenn Adams doubled with one out in the 10th to drive in Hosken Powell with the winning run and give Minnesota a 4-3 victory over Toronto. With one out, Powell singled off reliever Tom Murphy, 4-9. Adams then doubled off the wall, right-center to score Powell. Reliever Jeff Holly, 1-1, pitched four innings, allowing two hits.

**Padres 3, Expos 2**

At Montreal, losing pitcher Steve Rogers walked in the tying run and pinch-hitter Gene Tenace drove in the eventual winning run with a sacrifice fly in the seventh, giving San Diego a 3-2 victory over Montreal.

**Twins 5, Blue Jays 0**

At Bloomington, Minn., rookie Gary Seron hurled his first major-league shutout, a two-hitter, as Minnesota beat Toronto, 5-0.

**Tigers 6, Brewers 4**

At Milwaukee, Ron LeFlore knocked in the potential winning run during a three-run seventh inning, in which Milwaukee committed three errors, as Detroit defeated the Brewers, 6-4.

**Angels 4, Orioles 3**

At Anaheim, Calif., Rick Miller singled home Dave Chalk with the go-ahead run in the seventh, and California held on to defeat Baltimore, 4-3, and remain in a virtual tie with Kansas City for the lead in the American League West.

**Mariners 4, Yankees 1**

At Seattle, Jim Colborn tossed a three-hitter and Bruce Bochte homered to lead Seattle to a 4-1 victory over New York. Colborn gave up a homer to Chris Chambliss in the second inning, in posting only his fourth victory in 12 decisions.

In the first men's semifinal match, Diggs punished Lewis for his forays to the net with accurate passing shots and maintained the pressure with his own charges. Diggs fell behind at the beginning of every set, fighting back from a 3-0 deficit in the third to defeat Lewis in the other semifinal.

Marsikova, 19, outlasted Virginia Ruzicka, 7-3, 6-7, 6-2 in hot, humid weather. Marsikova used superior strength to push Ruzicka back from the baseline, hitting from side to side to tire her out.

Diggs, the world's fifth-ranked player, came from behind to beat Chris Lewis, 6-4, 3-6, 7-5, and move into today's men's final.

Clerc reached the final by upsetting Brian Gottfried, 5-7, 7-5, 6-4, in the other semifinal.

Marsikova went up 5-3 in the

second set and had two match points before the wily Romanian dug in and took three straight games. In the tie-breaker, Marsikova had another four match points against the exhausted Ruzicka but failed to put it away.

Ruzicka threw away the next game on unforced errors and Marsikova caught her second wind and went on to win.

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